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China Report

RED FLAG

No. 13, 1 July 1982



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CHINA REPORT

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Translation of the semimonthly theoretical journal of the Central Committee of the Chinese Communist Party published in Beijing.

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PREFACE TO 'PEOPLE WHO STRUGGLE FOR COMMUNISM THROUGH TO THE END'

Beijing RED FLAG in Chinese No 13, 1 Jul 82 p 2

[Article by Wang Zhen [3769 7201]]

[Text] A great number of old revolutionary fighters who are loyal and devoted to the revolution without seeking fame or wealth come to mind after reading this book ["People Who Struggle for Communism Through to the End"]. They deserve the respect of the masses of people. Their ordinary but moving deeds make me happy and inspire me. If you were to ask what are the communist character and morals and what are a Communist Party member's values, I would say that the materials collected in this book have, in one respect, provided a relatively satisfactory answer.

The proletarian revolutionary cause is a great cause which must be passed from generation to generation. Facing the new historical period of socialist modernization construction, the party's central authorities have decided to let some old cadres retreat to the second line, be discharged or retire from their posts; and are appointing those middle-aged and young cadres with both ability and political integrity to leading posts. This is not only a wise decision which conforms with the natural law of supersession of the old by the new, but also a farsighted strategic measure which will ensure the long-term stability of the state. It conforms with the fundamental interests of the people of all nationalities throughout the country. Just as Comrade Deng Xiaoping pointed out: "After all, these old comrades of ours are loved. They always stand high and see far." Now, abiding by the party's arrangement, some old comrades are pleasantly leaving the posts at which they have been fighting for a long time and beginning new lives. This book can give them hints and help on how to lead a more meaningful new life.

A long time ago, I read a Soviet play, "Miners in Donbass," which was published when Stalin was alive. This book mentioned the director of a coal mine of worker origin who had been commended by Stalin and awarded a medal for his outstanding work. Later, as more and more automatic mining machines were put into use, this director talked to the provincial party committee secretary, requesting that he be discharged from his post because his own knowledge was insufficient to handle the job. He recommended that the chief engineer of the coal mine assume the post of mine director. The

children of miners called him Grandpa Donbass. I really admire Grandpa Donbass' farsightedness in attaching importance to technical specialists and his lofty style in recommending people with both ability and political integrity.

We have cultivated a large number of specialists since the founding of the new China. Now, it is the time to put more trust in them, give them more support and entrust them with heavier tasks so as to speed up the development of the socialist modernization construction.

Being a large country with a population of 1 billion, China has to build up a high degree of socialist spiritual civilization as well as a high degree of socialist material civilization and has to do myriads of things. I think that all our retired old comrades should follow the good examples of those veteran fighters presented in this book, do what they can for the people and contribute every ounce of strength. Certain trivial and concrete things do not sound so important. However, they really need hands to be accomplished. Whoever is willing to achieve them conscientiously and persistently will be able to contribute to the four modernizations and do his little part to help build socialism. Thus, he will be respected when he is alive and remembered by others after his death. All these retired old comrades have been nurtured and educated by the party for several decades and have stood the tests in the long revolutionary struggle. Generally speaking, they have a relatively high communist consciousness and a relatively strong party character. Therefore, they can go to live among the broad masses of people in rural areas, plants, schools and neighborhoods, and educate them with their own experiences. They can play the roles of revolutionary grandpas and grandmas, and thus make greater contributions to the building of socialist spiritual civilization.

As in the Chang Jiang, the waves behind drive on those before, so each new generation excels over the last one. Today a number of middle-aged and young cadres in their prime with socialist consciousness and solid capability are taking over, one after another, the leading tasks at different levels through the masses' recommendation and the party organizations' selection. There have emerged young ministers, young provincial governors, young county magistrates, young university chancellors, young farm directors and young factory directors, and even more people like them are emerging. There is no lack of successors to carry on the proletarian revolutionary cause pioneered by Comrades Mao Zedong, Liu Shaoqi, Zhou Enlai, Zhu De and other old generals. This is most gratifying indeed.

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CONTINUE TO WRITE ILLUSTRIOUS CHAPTERS ON COMMUNISTS--POSTSCRIPT TO
'PEOPLE WHO STRUGGLE FOR COMMUNISM THROUGH TO THE END'

Beijing RED FLAG in Chinese No 13, 1 Jul 82 pp 3-4

[Article by Deng Liqun]

[Text] After reading the materials collected in this book, every person of integrity cannot help getting excited. They will feel that they can see no reason why they should refrain from devoting themselves to the socialist modernization drive of the great motherland.

We see from the first page through the last page of this book that in every corner of our motherland the veteran communists, who have boldly struggled for and contributed to the liberation cause of the people and the nation and the victory of socialism in China, continue to vigorously work at their posts in the course of socialist construction and continue to write illustrious chapters on the glorious life of the communists after withdrawing from leading posts and retreating to the second front because of their illness, old age and weak body.

They have shed blood for the founding of our republic. Now, they are watering with their sweat the places where they once shed blood. This is incomprehensible to those mediocre people who seek personal privileges and those who only see things directly under their nose. Why cannot these meritorious workers of the state and the nation who have retired from their leading posts leisurely pass their late years remembering their meritorious service? Their answer is:

The achievements that we obtained in the past were the result of the hard efforts of all our comrades. After all, they were achievements made in the past.

The leading posts of the cadres are not lifelong, but to us the party's cause is lifelong.

Although we have physically retired from the first front, ideologically, politically and organizationally speaking, a Communist Party member can never retire.

I will be a qualified party member if I can do some minor and practical things for the people.

When I filled out the application for party membership I solemnly swore that I would struggle through to the end for the communist cause. As far as I am concerned, this "through to the end" means struggling every single day that I live.

....

These ordinary but sparkling words, which fully show the communists' lofty realm of thought and strong faith, should be remembered forever in the heart of each Chinese person and particularly each Communist Party member.

If the proletariat fails to emancipate the whole human nation, it will also fail to eventually emancipate ourselves. The progressiveness of this class is concisely reflected by the vanguard communists and the fighters. Communists, who are armed with communist ideas and take realizing communism and the socialist system all over the world as their lofty ideal, will never be depressed or threatened because of setbacks or failures, nor will they stop their task because of temporary victories. They will not hopelessly give up because of errors at work or forget their new goals because of achievements and merits. Their life is to endlessly and laboriously struggle and make persistent and hard efforts in all kinds of work including making overall international and domestic decisions, leading work in localities or departments and minor jobs such as growing vegetables, selling goods, sending newspapers and giving people medical treatment, all of which seem insignificant to some people. This is also where their happiness and greatest comfort lie. Many tiny streams will gather into a river. The minor but practical efforts of the millions and hundreds of millions of Communist Party members are able to play an inestimable role in gaining a victory for the communist cause. Marx and Engels wrote in "Holy Family" that: "When it has obtained a victory, the proletariat will never become an absolute aspect of the society because it obtains a victory only by eliminating itself and its antagonistic aspect. In the wake of the victories of the proletariat, the proletariat itself and the antagonistic aspect which restrains it—the private ownership system—will tend toward extermination." When the communists obtained the victory and took up leading posts, they did not become the "absolute aspect" of the society, that is, the conservative aspect. When they retreat to the second front or retire, they still will not become the "absolute aspect" of the society and will continue to make efforts for the people's cause. They are forever advancing. The events reflected in this book are a vivid verification of the prophecy of the founder of scientific socialism.

During the recent movement of streamlining the government structure, many veteran comrades valued the party's cause above everything else and responded to the CCP Central Committee's call. They enthusiastically recommended and supported the promotion of young and fine cadres to leading posts, and personally requested to retreat to the second front or retire. After retreating to the second front or retiring from their posts,

they still want to fulfill the promise that they made when they joined the party, be qualified party members and contribute themselves to the communist cause. All this causes no problems for most of them. However, when they have become old and physically weak, "willing to comment on something which is not their own immediate concern," how should they continue to work to the best of their ability? Regarding this situation, many comrades who have retreated from the first front have made numerous great examples. From beginning till end, they have not divorced themselves from the masses, but have gone deeper among the masses. Many of them stay and work or are in close contact with a certain grassroot unit, carry out investigation there and help comrades there correctly understand and implement the principles and policies of the CCP Central Committee. They participate in extensive social work and the work that they do reflects the flesh-and-blood relationship between the party and the masses and reflects a Communist Party member's moral standards. Thus, the party's influences are extended in different aspects, the party's prestige is improved and the party's work is promoted. Young comrades, and particularly those young party members who have joined the party for a short time and have not been educated with the party's fine traditions and fine work style, can learn from them the lofty moral qualities of the veteran communists. Comparatively older comrades, including comrades who have joined the party for a relatively long time, can also widen their scope of vision by the veteran communists' activities and see the boundless scope of sacrificing for the communist cause.

This book contains only materials which have been openly published in the central and local press since the 3d Plenary Session of the 11th CCP Central Committee. Some changes in the wording and title have been made by the editors. Due to the fact that how to make arrangements for cadres who have retreated to the second front or have retired and how to continue to give play to the role of veteran comrades who have retreated from the first front are still new questions for our party and our state, which have just begun to formulate a perfect and practical system by means of incessantly summing up experiences, the materials collected in this book cannot reflect the overall appearance of veteran cadres who have retreated to the second front or have retired.

The editors of this book are several young comrades of the Research Office of the Central Secretariat. They have made concerted efforts in reading over newspapers and magazines, cutting out and collecting materials, and editing. This is a meaningful labor. They are awaiting the readers' criticism and correction of certain editing mistakes and shortcomings.

CSC 4604/41

PUSH FORWARD THE PARTY'S THEORETICAL WORK WITH ONE HEART AND ONE MIND

Beijing RED FLAG in Chinese No 13, 1 Jul 82 pp 5-8

[Article by RED FLAG Editorial Department]

[Text] Theoretical work is an important component of our party's cause. Since the 3d Plenary Session of the 11th CCP Central Committee, under the correct leadership of the CCP Central Committee, the numerous theoretical workers, in an attempt to accomplish the task of bringing order out of chaos and restore the truth of Mao Zedong Thought, have done a lot of work and achieved great successes. In this respect, the party and the people have made a full appraisal and evaluation. However, this does not mean that our theoretical work has been done very well and that there are not any shortcomings or problems in our theoretical work. A leading comrade of the CCP Central Committee recently pointed out that theoretical work was "not in accord" with the practice of the party and the people. He called on the theoretical workers to "get organized" and strive to change this state of affairs. This has pointed the way forward for theoretical work and has greatly spurred on our theoretical workers.

In recent years, the CCP Central Committee has repeatedly stressed that the fundamental task of the party's theoretical work is to integrate the universal truth of Marxism-Leninism-Mao Zedong Thought with the great practice of the four modernizations, study new conditions, solve new problems, strive to anticipate practical work in ideological and theoretical work, promote Marxism-Leninism-Mao Zedong Thought and speed up the course of the socialist modernization program. If we judge our theoretical work according to this task, we can obviously see that in many circumstances our theoretical studies and publicity have not only failed to anticipate practice, but often lagged behind practice by a considerable margin. Since the third plenary session, the party has from the ideological, political and organizational aspects reestablished the Marxist line, formulated and implemented a series of correct domestic and foreign principles and policies and ushered in a new period in China's history, thus displaying a very high level of Marxist leadership. However, in our theoretical work and in our exposition and publicity of the party's line, principles and policies, we do not have a sufficiently clear-cut stand, have not spoken out boldly enough, have not been sufficiently active and have not been sufficiently convincing. For example, the party has, in line with the conditions in the

new period, reaffirmed that it is necessary to uphold the four fundamental principles. Politically, this is a major event that has a strong bearing on the future and destiny of our party and state; theoretically, each principle is extremely rich in content, containing a lot of problems that should be proved and elaborated. However, a few comrades do not attach enough importance to this matter and they neither study it sufficiently nor publicize it vigorously. Some people even set the four fundamental principles against emancipation of the mind by holding that the four fundamental principles fetter theoretical studies. Take another example. The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" adopted at the sixth plenary session has scientifically summed up the historical experiences in the 30-odd years since the founding of the PRC and explicitly put forth a program for building a powerful modern socialist country which suits the conditions of our country. It is a crystallization of the collective wisdom of the party and the people, including the numerous theoretical workers. It embraces a lot of theoretical questions involving philosophy, political economy and scientific socialism. An important task of theoretical work is to make a systematic study and exposition of these theoretical questions and to write theoretical articles or works so as to help cadres and the broad masses to solve their problems related to ideological understanding and enhance their consciousness in implementing the "resolution." However, some comrades are not enthusiastic about publicizing the "resolution," some assume a negative attitude and a few individuals even bear some resentment against it. The conditions in the past year and more have proved that our theoretical work is not worthy of the epoch-making significance of the "resolution" in both theory and practice. Moreover, in the course of the socialist modernization drive, new conditions and problems are emerging one after another and it is urgently necessary to make a theoretical explanation or to give theoretical guidance to practical work. However, more often than not we are unable to give a satisfactory answer from the integration of theory with practice. In short, we have not been able to undertake the tasks entrusted to us in our theoretical work. This is the essence of being "not in accord."

The state of being "not in accord" in theoretical work does not refer to a particular department but to the entire theoretical work; neither does it refer to a particular person but to the entire theoretical ranks. This is a grim fact. The emergence of this situation is admittedly due to the fact that there are a great many new conditions and problems during the turning point of history, which makes it difficult for us to immediately be familiar with and adapt ourselves to the new situation (this is in line with the law of cognizance); but, what is more important, it is due to our theoretical ranks. Some comrades have been fairly seriously influenced by "leftist" ideas so that they have not been able to fully emancipate their minds and keep pace with the times; some comrades have not been able to put themselves in a correct relationship to the party by overestimating themselves; some comrades have summed up the lessons of the "Great Cultural Revolution" from the negative aspect by divorcing themselves from reality and paying no attention to politics; and our ranks are rather undisciplined and have not been organized well. It is precisely due to these reasons that we have

not been able to satisfactorily accomplish the party's task in theoretical work. This is a point the numerous theoretical workers should face up to and correctly understand.

It should also be pointed out that, as far as a few individual comrades in the theoretical ranks are concerned, this is not only a question of unadaptability but also one of incorrect ideas and an unhealthy style of study. For example, some people publicize and advocate various viewpoints and expressions that run counter to the four fundamental principles. They publicly advocate absolute "freedom of speech" and even propose to give the so-called "freedom" to counterrevolutionary speeches. Views like that not only reflect the bourgeois liberalization in society in our theoretical work but also provide a "theoretical basis" for bourgeois liberalization in society, thus playing the role of adding fuel to the fire. If the emergence of erroneous speeches of one kind or another was still understandable before the sixth plenary session because the party had not drawn any conclusions on some major political and theoretical questions, then, the problem seems serious when, since the sixth plenary session adopted the "resolution," some party members have not only failed to make self-criticism but have also continued to spread their erroneous viewpoints. Although the comrades who assume this attitude are very few, their influence should not be underestimated for they greatly disrupt the theoretical work of the party. In the past we did not wage a resolute struggle against the tendency of bourgeois liberalization. This is a serious shortcoming in our theoretical work. Now that we want to change the unadapted state of our theoretical work, it is necessary and also imperative to deal with the problem seriously.

It is the urgent demand of the party and the people and also the strong aspiration of the numerous theoretical workers to speedily change the unadapted situation and overcome the erroneous tendency. Most of the comrades who engage in theoretical work, whether they are engaged in theoretical studies or in theoretical publicity, wish to work more for the party and the people. All the loyal theoretical workers are uneasy or worried about the current situation in theoretical work. We are sure that so long as numerous theoretical workers work with one heart and one mind under the leadership of the party, they will certainly be able to change from being unadapted and usher in a new situation in theoretical work.

How can we push forward the party's theoretical work with one heart and one mind?

It is imperative for the party's theoretical workers to be united with the CCP Central Committee politically. This is a major question of principle which every theoretical work of the party should conscientiously abide by. To be united with the CCP Central Committee politically means that the theoretical workers of the party should uphold the four fundamental principles, carry out the party's line, principles and policies, and, on questions that have a strong bearing on the fundamental interests and overall situation of the party and state, never spread views that are contrary to those of the CCP Central Committee. This is a political as well as an

organizational discipline of the party. Some people have gone so far as to indicate that emphasizing unanimity with the CCP Central Committee politically is tantamount to depriving the party members of their democratic rights and encouraging "blind obedience and slavish mentality." As everyone knows, there is a fundamental principle in our party, that is, democratic centralism. Before a decision on a major question is made, we promote a high degree of democracy by allowing and encouraging a full discussion of this question. People can make any suggestions. The process of forming the "resolution" of the sixth plenary session is an outstanding example. It took 20 months to draft the "resolution" which was repeatedly discussed from every angle. In the course of the discussions, some comrades expressed erroneous views but they were not subjected to criticism, still less were they punished. We should like to ask, which dynasty in history, which country and which nonproletarian party in the world have acted like this when discussing major problems? None, for it is impossible to do so. Only a proletarian political party which is genuinely loyal to the laboring people has such boldness of vision and courage and can promote such a high degree of democracy. It was precisely on this basis that the "resolution" was formulated after absorbing and concentrating correct ideas. If we adopt repressive measures or take disciplinary action against the comrades who have expressed erroneous views before a decision has been made, then we deprive the party members of their democratic rights, stifle normal democratic life within the party and violate the rules and regulations of the party. However, it is imperative for the party members to resolutely carry out a decision after the party organization has decided on it. It is permissible to reserve our different views but in actions we should uphold the party's decision. We should not adopt a negative attitude toward it, still less fail to carry it out. In the course of implementation, if we note something inappropriate in the original decision, it is permissible and also necessary to propose addenda and amendments but it is still necessary to carry out the original decision before the organization makes a new decision. Without this, it is impossible for the party to have a unified will, to have combat effectiveness and to accomplish its tasks. Comrade Chen Yun said: Literary and art workers of the party should first of all regard themselves as ordinary party members and should not first of all regard themselves as cultured persons. Last year, Comrade Hu Yaobang also pointed out: "Our writers, artists and theoretical workers who are party members should never forget that they are first of all party members and then specialists in this or that field." The guidelines of these remarks are fully applicable to the theoretical ranks. As theoretical workers of the party it is necessary for us not to be self-important and elitist. If we stick to our old ways of doing things and act in dissension and discord with the party, we are not worthy of being communists. It is a question of fundamental stand for the theoretical workers of the party to conscientiously and voluntarily preserve unity with the CCP Central Committee politically and we should never have the slightest ambiguity and vacillation on this point. Only on this basis will it be possible for theoretical work to fulfill its task. Without this basis, it is likely that the theoretical work will deviate from its course.

It is imperative for the theoretical workers of the party to regard the publicity of the party's line, principles and policies as their important task and glorious duty. The party's line, principles and policies are the lifeline of the party and the guarantee of the socialist modernization program. Only when the party's line, principles and policies have been accepted by the broad masses of people and have become their conscious action will it be possible to bring into play their role in transforming nature and society. It takes some time for the party's line, principles and policies to be turned into the conscious action of the masses of people, that is to say, it is necessary to extensively expound, publicize and explain them. Who will do the work? Undoubtedly, the party members and cadres should do it. However, it should be said that this is particularly the unshirkable duty of the theoretical workers of the party. There is now an argument to the effect that publicity of the party's principles and policies is just an "explanatory annotation" and not theoretical study. This is an incorrect viewpoint. If explanatory annotation refers to publicity of the party's principles and policies among the cadres and masses in light of the actual situation, then it is quite necessary and should be done well. As a matter of fact, publicity of the party's principles and policies does not refer to this work alone; it contains arduous theoretical studies. The party's principles and policies are based on a solid theoretical and practical foundation and are the outcome of the integration of a correct world outlook with historical experience and actual practice. If the theoretical workers of the party do not make a thorough study of Marxist theory, do not have a rich knowledge of history and do not have a genuine understanding of the actual situation, it will be impossible for them to publicize well the party's principles and policies. On this count quite a few theoretical workers have a true understanding of this matter. At the same time, it should also be understood that, in many aspects and on many questions, the development of Marxism-Leninism by our party finds expression in the party's principles and policies. Therefore, practically or theoretically speaking, study and publicity of the party's principles and policies takes a lot of learning. It is not worthy of the theoretical workers of the party to despise it or adopt an indifferent attitude toward it.

It is imperative for the theoretical workers of the party to foster the idea of concentrating on studying new situations and issues in reality. As far back as during the Yanan rectification campaign, Comrade Mao Zedong repeatedly stressed this matter and established it as a principle for the whole party. Facts have proved that this is entirely correct. Since the third plenary session, the CCP Central Committee has again repeatedly called on us to uphold this principle. Comrade Deng Xiaoping pointed out: "Make a profound study of the new situations and issues that China is confronted with in achieving the four modernizations and find out answers that are of major guiding significance. This will be a major contribution of our theoretical workers to Marxism." For example, the question of class struggle under socialist conditions, the question of ensuring that the planned economy plays the primary role and regulation by market mechanism plays the supplementary role, the question of socialist spiritual civilization, and so on, are all major theoretical subjects posed by the practice of scientific

socialism in the contemporary era and they have a direct bearing on the socialist modernization drive. It is extremely necessary for us to make a profound study of these questions and find out the correct answers. Naturally, this does not mean that we need not make a conscientious and profound study of the ideological and theoretical problems that do not have a direct bearing on the socialist modernization drive. Philosophy and social science, like natural science, should never neglect the studies of basic theory. These studies are indispensable to any substantial advance of theoretical work. The "resolution" of the sixth plenary session pointed out: "It is imperative for the whole party to engage in a more diligent study of Marxist theories, of the past and present in China and abroad, and of the different branches of the natural and social sciences." The field of theoretical study is very extensive and we should not neglect any aspects of the field. However, taking theoretical work as a whole, it is imperative to constantly pay attention to the focal point or core. There are now some comrades who say that "the farther away from the current reality the better" and "the farther away from politics the better." This ideology and tendency is unfavorable to theoretical work as a whole and to the development of specific science. The vitality of Marxist theories precisely lies in their close relations with reality. Marxist theory will become ossified if it is divorced from reality and if it is not applied in studying issues that urgently need to be solved in reality. Therefore, the numerous theoretical workers should have the courage to surmount all difficulties and probe into new situations and issues that our predecessors never met before.

It is also imperative for the theoretical workers of the party to work in the communist spirit, to regulate their words and actions with communist ideas and morality and to preserve the purity of communism. Our party has achieved great successes in the communist movement and has entered socialist society which is the initial stage of communist society. However, the tasks of revolution are still far from being accomplished. We need the concerted efforts of the people of all nationalities throughout the country, especially all the party members, to push the movement forward. This makes it necessary to conduct communist education among the party members and the people. Theoretical work, fundamentally speaking, is to arm the party members and the people with communist ideology by means of explaining and publicizing communism. It is imperative for the educators to receive education beforehand. Only by applying communist ideology in observing and handling all problems and by preserving the purity of communism will it be possible for the theoretical workers of the party to educate others. Therefore, the theoretical workers of the party must conscientiously study and grasp Marxism-Leninism-Mao Zedong Thought and, while transforming the objective world, transform their own subjective world. Class struggle still exists in our country and there is constant corrosion by bourgeois ideas internationally. It is a sacred duty of the theoretical workers of the party to wage struggles against various non-Marxist erroneous ideas. Communist ideology is the most revolutionary and scientific truth in the world. Only by taking communist ideas as a guide will it be possible for the theoretical workers of the party to have a firm stand, have a clear insight and make due contributions to the development of Marxism. If we discard communist ideology and principles, and divorce ourselves from social practice

in an attempt to "discover" and "create" new theories, we are bound to take to evil ways.

The party and the people place high hopes on theoretical work. The theoretical workers of the party have been entrusted with heavy responsibilities. In the infinitely rich and lively practice of the socialist modernization drive, so long as the theoretical workers of the party conscientiously study and grasp Marxism-Leninism-Mao Zedong Thought, face up to reality, uphold the principle of integrating theory with practice and work in a down-to-earth manner, they will surely be able to live up to the great expectations of the party and the people. Let us push forward the party's theoretical work with one heart and one mind along the course charted by the CCP Central Committee!

CSO: 4004/41

TURN TO SCIENCE IN ACQUIRING SKILLS, TAKE EXPERTS AS OUR TEACHERS

Beijing RED FLAG in Chinese No 13, 1 Jul 82 pp 9-12, 41

[Article by Hao Jianxiu [6787 1696 4423]; passages enclosed in slantlines printed in boldface]

[Text] Editor's note: We recommend this article to our leading cadres, and particularly to the newly promoted young and middle-aged leading cadres. In the course of realizing the socialist modernization program there are quite a few problems confronting us and the situation is relatively complicated. How should we exercise leadership over the work of a department or a front? What and how should we stress? This is a problem which the vast numbers of cadres and the masses pay close attention to. The comrades who shoulder the responsibilities of leadership must have revolutionary courage and professional knowledge. They must not only modestly and arduously study but also work in a diligent and down-to-earth manner, immerse themselves among the masses, go deep into the realities of life, seek truth from facts and be free from arrogance and rashness. They must open up new prospects and blaze new trails with full confidence. In her article, Comrade Hao Jianxiu recorded and narrated her gains and appreciations in this respect in a plain and vivid way. Instead of taking "a shortcut," she turned to science in acquiring skills, took experts as her teachers, familiarized herself with the required professional knowledge and scientific management methods step by step, and personally went to the forefront of production to acquire firsthand materials, attentively listened to the various kinds of opinions, then started studying and solving the problems and thus had the initiative in her hands in her work. If the leading cadres at the various levels earnestly study and conduct investigations and study in such a way, they will acquire more knowledge, have a clearer picture of the situation, gain richer experience, raise the

efficiency in doing their work and the level of the art of leadership and achieve greater success in their work. What Comrade Hao Jianxiu has accomplished the other comrades can also accomplish.

A leading comrade of the CCP Central Committee recently pointed out: "Turn to science in acquiring skills. Take experts as our teachers. These two remarks should become a slogan of action." This is of great significance to the vast numbers of cadres for grasping modern science and technology and scientific operational and management methods, broadening their field of vision, enhancing their abilities and following the objective laws in doing their work well and has pointed out the correct way leading to being more knowledgeable and specialized. Here, in the light of the development of China's textile industry and the course of my personal growth, I would like to discuss my understanding and gains and appreciations in this respect.

I

China's modern textile industry has been developing for more than 100 years. Through the 32 years of the socialist transformation and socialist construction after the founding of the PRC, China's textile industry has gradually developed into an industrial department with its own complete range of divisions and bases for the domestic supply of raw materials and equipment and has a certain level of production as well as science and technology. Relying on correct policies, on the use of science and on arduous struggle is the basic experience in developing our textile industry. Compared with the early stage of the founding of the PRC, the production capacity of the textile industry throughout the country has now gone up by more than 200 percent and its output value has risen by at least 700 percent; its output of spun yarn for every 1,000 spindles per hour has increased from 20 kilograms to 40 kilograms and the mending capacity of a spun yarn operator has increased from 400 spindles to 2,000 spindles. This is mainly the result of the efforts of the vast numbers of workers and technical personnel to give play to their initiative and creativity, to apply science and technology to transforming equipment and improving technology and to sum up and popularize scientific operational methods. Stalin said: If the working class "does not grasp science and is not good at managing the economy in accordance with scientific principles, it cannot possibly become the real master of the country." ("Collected Works of Stalin," Vol 11, p 64) The improvement of textile product quality, the increase in varieties of product designs, sizes and colors, the reduction in consumption, the betterment of working conditions and the improvement of labor productivity are all directly related to the adoption of advanced science and technology and scientific management methods. A host of facts have proved that relying on the use of science and technology and on scientific management can accelerate the development of the textile industry. From now on, we must further develop the production of the textile industry and still give consideration to the adoption of modern science and technology and strengthen scientific management rather than giving sole consideration to expanding the scope of production. We must combine the two together, really manage to promote the development of production and construction by developing

science and technology and strengthening scientific management and, at the same time, in accordance with the needs of production and construction, propel science and technology forward and enhance the scientific nature of the work of management.

To develop the production of the textile industry by relying on the use of science and technology, we must start with what is of basic importance, that is, start with the basic construction of the management of the three major techniques of equipment, technology and operation. The quality of the basic work of technical management is the major manifestation for measuring the technical level and managerial skills of an enterprise and even a trade and also the basic condition for increasing the product quality and the varieties of product designs, size and colors. For a considerable period of time in the past, owing to the obstructions of "leftist" guiding ideology and as the result of blindly concentrating on output value and putting one-sided emphasis on speed, a section of people have despised science and technology, and looked down on the basic construction of the management of the three major techniques, thus causing serious harm to production. Things have taken a great turn for the better in the last few years of rectification but this problem has not yet been solved completely. There are still some people who are unwilling to exert themselves in grasping the basic work in an earnest and down-to-earth manner. It must be acknowledged that without intact equipment, rational technology and perfect mastery of operational techniques, fundamentally, one cannot begin to talk about changing the product mix and developing new products. This is the vital reason why some enterprises have failed to effect an upswing in production. Over the last 2 years, we have further devoted our energy and time to this work and thus achieved quite satisfactory results. We must in future continue to pay close attention to it. So far as an enterprise is concerned, technical management is the basic skill. In the course of marching toward science, first of all we must have a thorough and solid training in basic skills.

Since the 3d Plenary Session of the 11th CCP Central Committee, the textile industry and its affiliated organizations have conducted the helping and learning activities for learning from Shanghai, from coastal areas and from the advanced. China's textile industry already has a certain technical force and has reached a considerably advanced level in some aspects but generally speaking, compared with the international levels, it still has a long, long way to go. The difference of technical forces in the regions of the hinterland is also very wide. Therefore, on the one hand, we must learn from the foreign advanced science and technology and operational and management methods and, on the other hand, continue to do a good job in conducting the helping and learning activities among the internal regions and transfer the advanced science and technology and operational and management methods of Shanghai and other areas to the hinterland. Shanghai is the old base of China's textile industry and has a comparatively high level of technology and management. Compared with the initial stage of the founding of the PRC, the number of spindles and weaving machines of Shanghai in 1980 decreased by 16 percent and 10 percent respectively but its total output value increased by 630 percent; the taxes and profits it produced increased by nearly 860 percent and most of its products were for sale abroad.

The development of Shanghai's textile industry mainly depends on developing science and technology and enhancing scientific management rather than depending on expanding the scope of equipment. Since 1979 when Wuhan learned from Shanghai, its total output value during the last 3 years has been doubled or redoubled; the profits which it produced increased by nearly 200 percent; the accumulation showed a yearly average increase of 34.6 percent; the profits it handed over to the state increased at an average rate of 35.9 percent and the profit rate of every 100 yuan's worth of output value increased from 11.13 percent to 16.58 percent. Apart from the helping and learning activities which were carried out between different regions and between different enterprises, we have further conducted helping and learning activities between different trades. The woolen spinning trade learned and transplanted the technical and management experience of the cotton spinning trade. Judged from the achievements already obtained by Shanghai, Jiangsu Province and other regions, this practice can increase production efficiency by 5 to 10 percent. During the 3 years since the 3d Plenary Session of the 11th CCP Central Committee, the total national textile industrial output value has showed an annual average increase of 18.1 percent and the taxes and profits produced increased at an average rate of 17.54 percent a year. The immense role which the helping and learning activities have played in summing up and popularizing advanced experience and in promoting the development of production fully embodies the unique superiority of the socialist system. Both the advanced experiences of Shanghai and the coastal areas and the progress and successes which have been made by the various localities by learning from these experiences have forcefully shown that the reliance on developing science and technology and the adoption of scientific management methods are the only way for realizing the modernization of the textile industry.

II

In the very year when the PRC was founded, I entered a factory and worked there as a spun yarn operator. Semi-illiterate, I was only 13 years old at that time. Through the democratic reform of factories, the workers have become the masters of the factories and give play to a high degree of initiative and creativity for production. Between 1951 and 1953, the textile workers created a working method in the three major fields of spun yarn, weaving and maintenance. The summarization and popularization of this working method in the three major fields kindled a great mass fervor among the vast numbers of workers and technical personnel for studying and applying scientific principles to improving the work and forcefully promoted the development of science and technology in the textile industry. I was sent to school to study by the party organization concerned in 1954. It took me 9 years to finish courses which had to be finished within 12 years. During this period, whenever the NPC was convened and Comrade Zhou Enlai met with me, he would kindly ask me about my studies and encourage me to study scientific and cultural knowledge hard, to win glory for the working class and to make greater contributions to socialist construction. After I graduated from the East China Textile College in 1962, I returned to my factory and successively assumed the office of a technician, engineer, vice factory director and factory director, and was on the municipal and

provincial party committee and engaged in a certain field of work there. At the beginning of 1978, I was assigned to work in the Ministry of Textile Industry and took up the post of vice minister and minister in succession. Looking back at the course which I have traversed, whenever I took a new post, I would invariably be confronted with many new tasks. The greater the responsibilities I undertake and the wider the range of things I encounter, more numerous and more important the problems which call for solution become. It is obvious that with my former knowledge and abilities, I will be unable to suit myself to the needs of the new situation. Therefore, I must study hard, turn to science in acquiring skills and arm myself with scientific knowledge. My practice is that wherever I go, I genuinely and sincerely learn from the experts there. My teachers are many. They include capable operators and workshop technical personnel, school teachers and classmates who have done well in their area of studies, engineers and factory directors who have rich experience in production techniques and enterprise management, specialists who have a relatively wide range of scientific knowledge and high level of professional skills and senior cadres who are well experienced in leading economic work. On modern enterprise management and industrial economic management as a branch of science, there are a large number of theoretical works and practical reference materials both at home and abroad. Under normal circumstances, every night I always selectively read some of them and benefit considerably from them. The authors of these works and materials can also be said to be my teachers whom I have never seen. With the enlightenment and help of these many experts and teachers, I have constantly familiarized myself with new conditions, kept abreast of new situations, studied and solved new problems and thus adapted myself to the needs of work as early as possible.

I have the following gains and appreciations from my study:

/Pay attention to the accumulation and application of knowledge./ Learning from the experts is generally carried out when we come into contact with them at work. Knowledge and experience are acquired and gained bit by bit. This knowledge accumulated bit by bit is like bits and pieces of gold and jade. It definitely must not be allowed to be lost easily. A man's knowledge always develops from a little to a lot and is gradually accumulated. We must have the spirit of sifting grains of gold out of the sand and not despising small things rather than seeking to have a gold doll in a short while. I learned skills from my master worker for 3 months after I entered the factory. When I was assigned to be an operator, I was asked to mend 300 spindles while others were assigned to mend 200 spindles. I deemed it as confidence in and encouragement to me and I was resolved to mend the 300 spindles well. At that time I was still very young and a newcomer as well, so I paid attention to learning from others at any time and anywhere and learned from others' strong points to offset my weaknesses. There are many actions in the spun yarn operation. I would learn from those who excelled in any actions and mastered the skills which were really up to the mark. I pooled the strong points of many workers in their operations bit by bit, then carefully refined and improved them while applying them to practice and again brought together and thoroughly understood the various actions and strived to find out the best method for mending spun

yarn machines in the light of the experience and operational laws which I had found out. Through 2 years of practice and exploration, eventually a set of spun yarn working methods (that is, the Hao Jianxiu work method--Editor's note) took shape. Later my post in work constantly changed but this method for accumulating and applying knowledge has always been useful to me. In 1964, the Communist Youth League Central Committee organized us to watch the military training carried out by the units under the Beijing command. Greatly inspired by the sight, with deep feeling I said: "If we, textile workers, have a perfect mastery of basic skills as the army does, then we can produce any varieties of products whatsoever." At that time, Comrade Hu Yaobang said to me: "Well said! You must really have a perfect mastery of such skills!" Up to now, I have always remembered this remark of his.

/Have a focal point in study for a certain period of time./ The development of science and technology as well as economic construction has continuously posed new problems to us. If we fail to study and master the required scientific and technical knowledge as quickly as possible, we will be powerless in the face of new things. After I worked in the Ministry of Textile Industry, I listed the production know-how of chemical fibers as the focal point of my study. The chemical fiber industry is a developing industry in China, which has bright prospects for development. The production of chemical fibers ranging from petroleum, natural gas and calcium carbide to the various kinds of chemical fibers involves a series of chemical industrial techniques. I was a perfect stranger in this respect and so I had to honestly study rather than pretend to understand what I actually did not. Consequently, I energetically tackled the key problems in the knowledge of chemical fibers with the drive which I had when I was in a crash-course middle school in the 1950's. On the one hand, I studied the basic knowledge of chemical fiber specialization and on the other hand, I concurrently paid attention to making more contacts with the production of chemical fibers in the work, understood its history and present conditions and tried to participate in the investigations and study of the production of chemical fibers and the activities for making technical and economic deliberations of the construction projects of chemical fiber. I was once in the Shanghai Petroleum and Chemical General Works. I made use of the leisure of "May 1" labor day and invited an engineer as my teacher who, along with the whole technical production process, explained to me while visiting and gave me half a day of on-the-spot technical training. Through a period of study and intensive study, eventually I managed to familiarize myself with the production know-how of chemical fiber.

/Lay stress on digesting and assimilation./ I have realized that in learning from experts, we must not only be modest and prudent and respect them but what is more, use our brains, seriously think things out, digest what we are learning and assimilate nourishment from it. After the beginning of the second phase of the construction projects of the Shanghai Petrochemical General Works, a debate arose centering on the question of whether the complete sets of equipment of polyester staple fiber with a capacity of 15,000 tons should be imported or should be designed and manufactured domestically. Proceeding from different angles, the experts stuck to their own views and

argued strongly on just grounds. We invited the experts from the quarters and sides concerned, such as research, design, manufacturing and application to attend an on-the-spot meeting in the works and let those who held differing views make full deliberations, after which we then pooled the rational opinions and summed them up into a technically advanced and economically rational method. Finally, all participants unanimously agreed that we should base ourselves on domestic design and manufacturing and expressed that they would support one another, make concerted efforts to make contributions in developing national industry and breaking a new path in which national efforts will be made to manufacture and form a complete set of large-scale equipment. This activity of comprehensive technical and economic deliberations has enabled the differing views to gradually become identical, with the whole process of the activity being strict and precise. Both the technical and economic experts regarded the activity as a fairly good exchange and learning. So far as I am concerned, it is the best sort of learning. I have come to realize that in taking experts as our teachers, we cannot but discard our haughty airs and must not gulp them down without thought. When we are confronted with problems of which we have no clear and thorough understanding, we must use our brains more. We must not be afraid that differing ideas and views may emerge for differing views can frequently help us further weigh the advantages and disadvantages as well as the gains and losses and approach and handle the problems in an overall manner.

/Constantly study and be bold in making innovations./ Modern science and technology is developing at a rapid pace. With the progress of the modernization program, in the path of becoming more knowledgeable and specialized, the cadres must steadily make progress, otherwise they will fall behind. Now the livelihood of the masses of the people has improved and there are higher demands on textile products. The production of the textile industry must adapt itself to this situation, expand consumption through providing the market with textile products of a great variety, and of the latest designs, sizes and colors which are of high quality and reasonably priced, and manage to make them marketable. This requires us to constantly study and improve production techniques and raise the operations and management to a new height. Even the cadres who are trained professionals, basically proficient in professional work, and have a fairly wide range of knowledge and rich experience also have to study without slackening. The comrades who have a good professional foundation can make greater progress in their studies and those who have a poor professional foundation must have the death-defying fighting spirit and try hard to catch up. To turn to science in acquiring skills, we must further emancipate our minds and be bold in blazing new trails. With the help of experts, we must master the scientific and technical knowledge of our predecessors and with the close cooperation of the experts, further develop and create new science and technology. The process of learning is a process of exploring and creativity without slackening.

/Learn from local cadres and grassroots cadres./ At any time we must not overlook such a basic reality: those who take root among the people are local cadres and grassroots cadres and those who directly lead the textile

workers in fighting in the forefront of production are also local cadres and grassroots cadres. The relationship between the comrades who work in the central departments and the cadres of the localities and enterprises is both a relationship between the leader and the led and a relationship between the pupil and the teacher. Practice has proved that only when we first serve as good pupils, can we then become good leaders and only when we fully understand what is going on at the lower levels, can we better integrate the decisions of the CCP Central Committee closely with the actual conditions of the various localities and grassroots enterprises and proceed to offer them guidance in ways that are suited to local conditions so as to enable the various localities and enterprises to develop advantages while avoiding shortcomings, bring their respective strong points into play and develop production. In the first 3 years after I worked in the Ministry of Textile Industry, I spent two-thirds of my time staying in the localities and enterprises to gain firsthand experience and conducted investigations and study. When a unanimous view cannot be reached at the higher levels through discussions on some major problems of a decisive nature, it is advisable to go to the lower levels and extensively heed their opinions. This will not only contribute to a correct decision but also bring us a great deal of enlightenment. Elder sister Chen Shaomin exhorted me: You must have at heart the well-being of the 800 million peasants and bring the cloth which your factories produce to the countryside and heed the opinions of the peasants. When I worked in a factory, I often went to the rural areas to conduct investigations there. Last year the Ministry of Textile Industry organized product-investigation groups which were sent to the rural areas of Shandong, Anhui, Liaoning, Hubei and Hunan Provinces, the pastoral areas of Nei Monggol and the residential quarters of the staff and workers of Anshan to find out the needs for textile products of the peasants, herdsmen and workers. Together with the comrades in the ministry, I went to the areas inhabited by the minority nationalities in Guizhou and Yunnan Provinces and investigated the needs of the minority nationalities for specially needed textile products, gained firsthand materials and broadened our field of vision. In our work, we have paid attention to the social characteristics of our country being a multinational country, listed the developing of the production of textile products specially needed by the minority nationalities in the plan and solved this problem step by step and have thus achieved quite satisfactory results.

I deeply feel that my growth is not unconnected with the spirit summarized in the two remarks: "Turn to science in acquiring skills, take experts as our teachers." To continue to march ahead in the future, I must further act according to these two remarks. We, cadres who hold leading posts, must not only study well ourselves but also bring along the staff and workers of our own department and its affiliated organizations and enterprises to tackle key problems together and make it a regular practice to diligently study and be bold in scaling new heights. In this way, we will be able to take the initiative in our work, make a new step and open up new prospects. We, the 4.8 million textile workers, must become a mighty contingent which marches toward science, strive to improve our own political quality and scientific and technical level and make new contributions in providing clothing to the 1 billion people.

THE FUNDAMENTAL TASK OF PARTY BUILDING IS TO INCREASE THE PARTY'S FIGHTING CAPACITY

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[Article by Li Lian (2621 0500 1344), second secretary of Heilongjiang Provincial CCP Committee]

[Text] Since the 3d Plenary Session of the 11th CCP Central Committee, the CCP Central Committee has laid down a correct line, principles and policies. Now, with the major principles and policies decided upon, the main task is to implement them. To implement them, the party organizations at all levels must have very great fighting capacity. If the party organizations do not have a great fighting capacity, they cannot implement the party's correct line, principles and policies and can achieve nothing.

We consider improvement of party fighting capacity as the primary mission of party building. This is determined by the party's nature as the vanguard force of the proletariat and by the historical mission which it undertakes. Our party was born and fights for the ultimate realization of the great ideal of communism. During the democratic revolution, it led the people of the whole country in fighting bravely to overthrow the three big mountains of imperialism, feudalism and bureaucratic capitalism. After seizing political power of the whole country, it continued to lead the people of the whole country in fighting doggedly to carry out the socialist revolution and construction. For this reason, the party has enjoyed lofty prestige among the broad masses. In a sense, the party is capable of leading the people only when it has fighting capacity; if it loses its fighting capacity it will also lose its prestige and the value of its existence. As Lenin said, the party should be "an organization of the fighting proletariat." (Lenin: "Collected Works," Vol 21, p 188) The party's fighting capacity is a comprehensive reflection of the total outcome of party building. The various branches of work concerning party building should be manifested in the increase of the party's fighting capacity. Fighting capacity is concrete and real and is closely related to every party member and every party organization. In a unit, the party's fighting capacity is manifested chiefly in the role of the party committee as the core and leader, the role of the party branch as a fighting bastion and the role of the party members as vanguards and models. These three roles are the main criteria for testing whether a unit has a strong fighting capacity. Until

this point is clarified, the work of strengthening party building will be carried out blindly and not in the right way.

Our party's fighting capacity was greatly weakened during the decade-long internal disorder of the "Great Cultural Revolution." Great efforts and the course of time are needed to recover the party's fighting capacity. But, we are capable of and have full confidence in solving the problems. Guided by the party's correct line, principles and policies since the 3d Plenary Session of the 11th CCP Central Committee, our provincial committee has done some work to increase the party's fighting capacity and has achieved positive results. First, the discussion on practice as the only criterion for testing the truth has been carried out penetratingly and the fetters of the "two whatevers" have been shattered, thereby rectifying the ideological line, correcting the "leftist" mistakes in a number of major issues and redressing cases in which people were wronged, misjudged or framed. Second, while efforts are made to correct the "leftist" mistakes, attention is being paid to opposing the tendencies toward bourgeois liberalization and persisting in fighting on the two fronts. Third, cases of serious economic crimes and cases involving degenerate elements and those who have lost the integrity of communists have been handled relentlessly and discussed extensively among party members and cadres, so that all are educated. Fourth, the party members have been trained three times in rotation with the (draft revised) "Constitution of the CCP," the "Guiding Principles for Inner-Party Political Life" and the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" as the main content of study and discussion, a strict system governing organizational life has been set up from the provincial CCP committee to the party branches at the grassroots level, and criticism and self-criticism have been actively carried out, thereby helping the party members to increase their ideological consciousness and their sense of organization and discipline. Practice shows that it is possible to quickly restore our party's fighting capacity to the highest historical level provided we seriously act according to the line, principles and policies laid down by the CCP Central Committee.

To increase the party's fighting capacity, it is necessary to realistically solve the problems existing inside the party. As seen from the problems reflected in the rotational training of party members and the experiments on party rectification in our province in the past 3 years, the conditions in the following five aspects deserve close attention: The first aspect concerns the strengthening of the party's centralism and unity. Only when the party achieves unity in will and action will it have fighting capacity. Our investigation shows that very few people openly oppose the party's line, principles and policies but quite a few people have not implemented them seriously and vigorously. Some of them have not studied them seriously and understood them deeply but have just copied them and transmitted them to other people. Others just take what they need, acting on what they like, disregarding what they dislike and even persisting in their own ways of doing things. Still others shut their eyes to a few people's misdeeds and discontent and even chime in with them instead of actively working on them by the method of persuasion and education. The second aspect concerns the

rectification of the party's work style. At present, some party members and cadres are imbued with decadent capitalist ideas. Some of them hanker after personal gains, are preoccupied with personal gains and losses and "look at everything in terms of money." The unhealthy practice of seeking personal gains by exercising one's functions and powers prevail in some units. Some people have misappropriated public funds to build houses for themselves. Others have exploited their offices to assign jobs to their relatives and friends. Still others violate financial discipline or engage in extravagant eating and drinking at public expense. A few people have even gone to the extent of extorting money and gifts from others, taking bribes, committing theft, carrying out smuggling, trading in smuggled goods, and engaging in speculation, profiteering and other serious crimes. The third aspect concerns heightening the sense of principle and raising the fighting spirit. The question of weak and lax leadership should be solved continuously. Some leading cadres evade contradictions and make no effort to criticize and combat the undesirable tendencies. In some units, the healthy tendencies have not been promoted and the people who uphold principle and work hard have not received support but have been isolated. Some people hold that "one who does not get along well with others can achieve nothing." For this reason, they never offend others but try to be agreeable, to please others and win their favor. The fourth aspect concerns strict party discipline. In enforcing discipline, some people have been overlenient, trying to turn big problems into small ones and small problems into no problem at all. They do not make criticism when they are required to do so. They do not handle problems which need to be handled. In particular, they make no effort to handle and investigate the cases of violation of law and discipline involving the leading organs and cadres. The fifth aspect concerns enhancing revolutionary enthusiasm. Some comrades are not devoted to their work and lack the desire to do better. They just want "higher positions, easier jobs, higher salaries and more spacious houses for themselves and better assignments for their children." They remain idle, are dilatory in work, dispute over trifles and therefore are inefficient. All these are major problems hindering the implementation of the party's line. In units where party consolidation was carried out, these problems have been solved and therefore the party's fighting capacity has been increased. The experience of these units shows that first of all we must have the determination and courage to break through all obstacles and solve problems. In the second place, we must proceed from reality to make a breakthrough at selected spots and to concentrate our effort to solve the problems which greatly impair the party's fighting capacity and which the masses urgently need to solve. In the third place, we must adopt clear-cut and reliable policies, focus our attention on education and carefully mete out penalties for the few people who are involved in serious cases, so that we can practically solve the problems.

To increase the party's fighting capacity, we must proceed from the grass-roots level and give the party members general training and systematic education. By analyzing the party members' conditions, we can see that a very important cause of problems of one sort or another in the party is that the political quality of the party members is not so good as before the "Great Cultural Revolution." To have better political quality, the

party members must receive ideological education and undergo training in practice. Without receiving systematic education and undergoing rigid training in inner-party life, a well-chosen successor cannot become a communist with excellent political quality. In particular, the small number of party members who were admitted during the decade of internal disorder do not know clearly what the duties of a communist are, why they entered the party and how to be a qualified party member. It is difficult for them to play the role of a vanguard and model. For this reason, it is all the more necessary to educate them intensively so that they will improve their political quality. Some units have worked very well in this aspect. Their experience is chiefly: To intensively study the basic knowledge of the party for a period of time, to conduct education in the party spirit, the party's work style and party discipline and in particular to clarify the demands on a communist, so that the party members ideologically set demands on themselves as a communist and act according to the demands on a communist. "Setting demands on oneself" means: Knowing what the demands on a communist are, knowing why these demands are necessary, knowing one's shortcomings and knowing what one should do in the future. "Acting according to demands" means: Starting with oneself right now in whatever one does and taking solid action to narrow and fill the gap between oneself and the demands on a communist. In educating party members, emphasis should be laid on integrating theory with reality and the party members should be helped to measure themselves by the demands on a communist and by the method of dividing one into two, so that they will see where they have qualified and where they are lagging behind. Efforts should be made to arouse the party members' consciousness so that they will sum up experience individually and help each other. The party members call this the method of "using one's knife to shape one's target" and "generating heat from inside." In some localities, party members with better educational backgrounds are first organized to study the fundamental theories of Marxism-Leninism-Mao Zedong Thought, Chinese history of the past century and the history of the party, so as to raise the standard of the party members by starting from the basics. These basics are used to arm the minds of the party members permanently and fundamentally, so that the party members will firmly establish the proletarian world outlook and believe in the realization of communism. In this way, the party members will play their role better as the vanguard and as models.

The course of increasing the party's fighting capacity is actually a course of continuously resolving the contradictions inside the party. There are various kinds of contradictions and struggles inside the party. Without these contradictions and struggles, the party will become lifeless. The party has advanced continuously in the course of resolving these contradictions. The contradictions inside the party are chiefly those between the proletarian ideology and the nonproletarian ideology, those between correct and wrong ideas in work, those between the party's fine styles of work and the various unhealthy practices, and so forth. Criticism and self-criticism are a powerful weapon to resolve these contradictions. The conditions in our province show that party organizations which are permeated with a strong atmosphere of criticism and self-criticism invariably have greater fighting capacity. There, the party members correctly understand what criticism and

self-criticism mean. They realize that criticism and self-criticism inside a leading group reflects the strong vigor of this leading group, that making realistic criticism of others reflects a communist's sense of responsibility, that the criticism by other people reflects their trust in and concern for the one who is criticized, and that making serious self-criticism reflects one's high consciousness. For this reason, they speak frankly and sincerely, express their opinions and put problems on the table without being swayed by their emotions and without interspersing their comments with biased opinions. They seek truth from facts, recounting the shortcomings and mistakes without exaggeration or reservation. They neither obliterate one's achievements on the grounds that one made mistakes in the past nor gloss over one's mistakes on the grounds that one made achievements in the past. They welcome criticism and do not feel ill at ease at the mention of criticism or regard criticism as "a punishment." Once the weapon of criticism and self-criticism is upheld, the healthy tendencies will be promoted, the undesirable practices will be checked, and the front of nonproletarian ideas, including feudal and bourgeois ideas, will diminish continuously. We must unswervingly implement the policies of opening the door externally and enlivening the economy internally. But, we must not give up the party's leadership even slightly. We must not slacken ideological and political work, relax the regular activities of party organization or waive the strict demands on a communist. We must be much more vigilant against the attack of sugar-coated bullets than we were before we moved into the cities. To do so, we should sweep away the political dust on our bodies by means of criticism and self-criticism. In localities where experiments on party rectification have been conducted and party organizations have been consolidated, stress is put on establishing the system of democratic life with criticism and self-criticism as the content.

The key to increasing the party's fighting capacity lies in building and consolidating the leading groups and organs. A leading group is the headquarters in command of our work. Whether it has a great fighting capacity will have direct bearing on the development of our cause. The leading cadres are vested with functions and powers. Their words and deeds will directly affect the party's prestige, the relationship between the party and the masses, the party's work style and the general mood of society. In a sense, increasing the party's fighting capacity chiefly means increasing the fighting capacity of the leading groups at all levels. For this reason, we stress that high demands should be set on the leading groups so that they will take the lead in carrying out study, making criticism and self-criticism, overcoming shortcomings and carrying forward the party's fine style of work. We have learned from practice that in building the leading groups, attention should be paid simultaneously to replenishing and consolidating them organizationally and to developing them ideologically so that they will be more and more revolutionized, increasingly younger and more and more knowledgeable and professional and can assume the heavy task of leading the four modernizations. Since 1980, by the method of recommendations by the masses, inspection by the party organization and approval by the leadership, we have selected a group of distinguished middle-aged and young cadres and promoted them to the leading groups at various levels. At the same time, in line with the spirit of keeping the basic political

treatment unchanged and giving a little more preferential treatment in daily life, we have properly arranged the political, material and cultural lives of the old cadres who have retreated to the second or third line. In order to enhance party spirit, rectify the party's work style, unify understanding and strengthen unity and in line with the principle of democratic centralism, we have instituted the dual organizational life [shuang chong zu zhi sheng huo 7175 6850 4809 4930 3932 3172] system for leading cadres at and above the county level. All these have been conducive to increasing the fighting capacity of the leading groups. Since the end of last year, our province has extensively grasped consolidation of the leading organs at and above the county level with emphasis on those directly under the provincial authorities. We stress that the leading organs, the leading cadres, the party members and the functionaries behave in the way they should, so that the organs will serve the people wholeheartedly and work efficiently. After the consolidation, the situation of weak and lax leadership has changed for the better, some leading groups have begun to get rid of disunity and improve their thinking and work style, and order has begun to be restored in the organs. The current consolidation of organs is just the prelude. On this basis, an all-round consolidation and comprehensive tackling of problems has been under way in stage and groups. As a result, the leading groups have smaller but better staffs, the organs are streamlined, bureaucracy has been overcome and work is carried out more efficiently. The consolidation of the leading groups and organs will promote the consolidation at the grassroots level, thereby increasing our party's fighting capacity in an all-round way.

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ON IMPLEMENTING ECONOMIC RESPONSIBILITY SYSTEMS IN INDUSTRIAL ENTERPRISES

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[Commentary by An Pingsheng [1344 1627 3932]]

[Text]

I

The implementation of economic responsibility systems by industrial enterprises represents an important reform of the industrial management system. Comrade Zhao Ziyang said in his report "The Present Economic Situation and Guiding Principles for Future Economic Construction": "The main shortcomings in our economic system in the past were that with regard to management, decisionmaking power was excessively centralized, with no difference between politics and administration while the distribution was characterized by eating out of the same big iron rice bowl and egalitarianism." I think these words exposed the general shortcomings of our socialist enterprises. Over a long period in the past, these two big shortcomings have seriously deflated the initiative of enterprises and their staff and posed obstacles to the development of social productive forces. The implementation of economic responsibility systems over the past few years has provided important experience for solving this problem. That is to say, in handling the relationship between enterprises and the state, enterprises must be given a certain autonomy within the limits of state planning. Under the principle of ensuring the completion of state planning and in handling the relationship between enterprises and their staff, the staff must have proper materialistic interests under the prerequisite of strengthening ideological and political work and by following the distribution principle of from each according to his ability and to each according to his work.

For more than 3 years since Yunnan Province experimented on expanding the autonomy of enterprises in March 1979, and following the implementation of economic responsibility systems, the province has experienced a tortuous path and yet it has persisted on this road. On many occasions, I inspected the development of the enterprises that have implemented economic responsibility systems and I felt the importance and urgency of eliminating the two big shortcomings in our socialist enterprises through implementing economic responsibility systems. A number of industrial enterprises in the province have been successful in implementing the economic responsibility systems. Following is a brief introduction to the encouraging changes of

the Yunnan Metallurgical Plant. This plant has 3,600 staff and is producing 21 varieties of products such as electrolyzed copper, sulphuric acid, silver, gold, palladium, platinum, industrial selenium, indium, cadmium and bismuth. Since the second half of 1979, the state has implemented the method of base profit plus retention of extra profit in this plant and this has continued for a period of 3 years. The plant itself mainly carried out the method of assigning production tasks among the workers with their workpoints being recorded for awards. In 1981, the output value of this plant reached 295.71 million yuan, 60 percent higher than 1978, with the profit amounting to 21.83 million yuan, an increase of 220 percent over the figure for 1978. In the 3 years from 1979 to 1981, the plant recorded a total profit of 46.91 million yuan. Of this 37.77 million yuan, about 80.5 percent, was handed over to state financial departments; enterprise retention was 9.14 million yuan or 19.5 percent and staff awards were 1.47 million yuan or 3.1 percent. In the 3 years between 1979 and 1981, this plant allocated 5.09 million yuan of production funds and 10.73 million yuan of maintenance funds and renewal and reform funds from enterprise retention and used 4.61 million yuan of bank loans, totaling 20.43 million yuan, as capital for carrying out 505 projects of technical reform and technical renewal in a planned way. Of these projects, 138 were completed in 1979 to increase output value by 900,000 yuan and increase tax profit by 1.05 million yuan; in 1980, 163 projects were completed to increase output value by 1.77 million yuan and tax profit by 3.8 million yuan; in 1981, 204 projects were completed to increase output value by 33.11 million yuan and tax profit by 6.99 million yuan. This plant also used the funds it has raised for building staff living quarters, school buildings and bathhouses with a total floor space of 20,864 square meters. This situation made me think: Would it have been possible to accomplish so many things in the past when the financial method of monopolizing revenue and expenditure was implemented, when construction planning had to be approved by one department after another and when enterprises had neither autonomy nor money and workers were not enthusiastic in their work? No, it would not have been possible. In the past, we asked the plant to carry out technical reform, renew equipment, decrease production costs and improve management and yet the enterprise had no autonomy and workers had no initiative and consequently none of these requirements could be realized as the results were not satisfactory. I agree with some comrades when they say that implementing economic responsibility systems is a point for making a breakthrough in reforming enterprises. Even under the present situation, in which prices and taxes are not totally rational and they cannot be changed at will, the implementation of various forms (not slicing with one knife) of economic responsibility system by different enterprises or even within an enterprise is totally possible to gradually solve the two big shortcomings and mobilize the initiative of enterprises and their staff.

Some comrades have said that the example of the Yunnan Metallurgical Plant is not typical because, when the economic responsibility systems are popularized (including experiments on expanding autonomy), the situation will change and the effects will not be as outstanding as those of the typical and successful units. This view is by no means groundless. But we cannot

therefore deny the necessity of popularizing economic responsibility systems. Seen from an objective viewpoint, the management level of our industrial enterprises cannot be judged mainly from their output value and profit. This is because different enterprises and even the same enterprise have different condition of resources, different technical equipment, different technical processes, different conduct structures, different prices and different taxes during different periods. But such different conditions for production existed long before the introduction of economic responsibility systems and these conditions will not become completely the same in future even following overall reform and the narrowing of differences. Since we have become aware of the general existence of the two big shortcomings, why can we not take an active attitude and gradually implement economic responsibility systems so as to mobilize the initiative of the enterprises and their staff and workers and develop industrial production? Consequently, basing themselves on the above viewpoint, the provincial party committee and government carried out study and investigations on many occasions and suggested carrying out active and bold measures with definite aims. As a result, economic responsibility systems have been implemented on a wider scale by the industrial enterprises in the province. Incomplete statistics showed that up to the end of 1981, of the 1,676 state-owned industrial enterprises above prefectural level across the province, 1,382 had already set up economic systems of enterprise responsibility to the state and this figure represents 82.5 percent of the total. The number of enterprises that have already set up economic systems of staff responsibility to enterprises was 1,153, representing 68.8 percent. The introduction of economic responsibility systems also promoted production and improved economic effects. The province's gross industrial output value in 1981 was 8.1 percent higher than the previous year while labor productivity increased by 7.2 percent. In the 3 years from 1979 to 1981, the provincial industrial enterprises and management departments recorded several hundred million yuan profit retention through the implementation of the economic responsibility systems. In addition, they have also rationally used depreciation funds and overhaul funds in undertaking many good things that could not be done before (including technical reform and welfare facilities). Anyone who knows even slightly the history of the development of our socialist industry will be encouraged by the new atmosphere that has appeared in industrial enterprises in the factories.

Yunnan is a border province with many minority nationalities. Neither the economy nor culture in this province are advanced and a long period is required before the province will be able to catch up with the industrial production of advanced neighboring provinces and municipalities. The above-mentioned industrial growth and economic effects are nothing if they are compared with those of the advanced provinces and municipalities. But seen from the reality of the province, the present level of industrial production in the province would not be possible without having actively introduced economic responsibility systems. Of course, industrial growth and economic effects are not determined by the factor of implementing economic responsibility systems alone; they are decided by many factors. Many facts prove that the far-reaching significance and influence of the implementation of economic responsibility systems is not less than the socialist

transformation of private commerce and industry in the 1950's. This is a Marxist scientific conclusion.

II

It is a new thing for industrial enterprises to implement economic responsibility systems and we have no mature experiences to follow and therefore we can only "cross the river by groping after stones." There is no other way. Since it is a new thing, in implementing them we will eventually meet with various problems and it is inevitable that, at some times, there will appear some serious mistakes. But these problems are nothing to be afraid of because as long as we are able to strengthen leadership and take measures in due time, these problems can be resolved. What is important is that we must constantly sum up experiences and improve our work in due time.

(1) In implementing economic responsibility systems it is imperative for industrial enterprises to have a firm principle. They cannot waver because of minor problems or inevitable mistakes. The province has experienced a number of lessons in this aspect.

In the first half of 1981, the gross industrial output value in the province was only 1 percent higher than the same period of the previous year, economic effects were not good and it was predicted that the profit made by industry per 100 yuan output value would be 17.4 percent lower than the same period of the previous year. The appearance of this situation was caused by the reasons that were mentioned by Comrade Zhao Ziyang in his government work report to the 4th Plenary Session of the 5th NPC. On the one hand, because of national economic readjustment, it was totally necessary and rational to curtail the investment in capital construction, cut down on heavy industrial production that consumes much energy and consequently slow down the development of heavy industry. On the other hand, some comrades who did not really understand the importance of readjusting the service orientation and product structure of heavy industry were slow in taking measures and they were late in shifting heavy industrial enterprises to other production. As a result, the production of some heavy industrial products that should not have been decreased has been slowed down. The second aspect also obviously existed in Yunnan Province. In particular, we have lessons in handling the relationship between readjustment and restructuring because we relaxed restructuring and did not do a good job in this aspect. Thanks to the guidance of leading comrades from the CCP Central Committee and the State Council, the State Planning Commission convened a conference attended by the leading comrades from various provinces who were responsible for industry. In May and July last year, the provincial party committee invited regional party secretaries to discuss industry and it was decided to do a good job in readjusting, continue to popularize and perfect economic responsibility systems and readjust and strengthen, during a certain period, the 219 leading groups of the industrial enterprises above prefectural level. As a result, the passive situation of all industry rapidly changed. Industrial production began to rebound in June and compared with the first half of the year gross industrial output value increased by 13.8 percent in the second half, profit increased by 34

percent, the profit handed over to higher departments increased by 53.3 percent and tax revenue increased by 10.2 percent. Gross output value for the whole year was 8.1 percent higher than the previous year and the tax and profit handed over to higher departments increased by 17.8 percent, far surpassing the original annual planning for an increase of 2.1 percent of gross output value.

In the first quarter of this year, the growth and economic effects of provincial industrial production not only maintained the good situation and development since July last year but have also become better and better. Compared with the same period last year, gross industrial output value increased by 17.5 percent, of which the gross output value of light industry increased by 28.7 percent while the gross output value of heavy industry, changing the tendency to decrease, increased by 6.3 percent; profit increased by 53.9 percent; the profit handed over to higher departments increased by 94.1 percent while the sales of industrial products are estimated to have increased by 21.7 percent. Thanks to the development of production and the improvement of management, the circulation rate of working capital increased by 15.2 percent while the amount of finished product funds possessed at the end of the period decreased by 5.8 percent. It is true that compared with the same period last year, there were a number of unusual factors in the first quarter of this year, such as increases in the selling prices of cigarettes, wines and tin while the suspension of production by some enterprises for inspection and overhaul was delayed and carried out only after April. Still, it is apparent that industrial output value and economic effects have been improved considerably. We will suffer if we do not see the difficulties in industrial production but it is also groundless to become pessimistic. It is unlikely that the drop of industrial production in the first half of 1981 and the uneasy situation caused by it will happen again in the future. Leading comrades from the CCP Central Committee said not long ago that the most difficult period in our economy has passed and that the national economy has begun to develop stably and healthily.

(2) Correctly handle the relationships between the state, enterprises and their staff and workers.

The focus of opinions with regard to the implementation of economic responsibility systems by industrial enterprises is that people doubt whether they can correctly handle the principle of simultaneously giving consideration to the state, enterprises and their staff and workers and consequently they fear that state financial revenues will decrease. No doubt there exist serious problems in the enterprises where leading cadres are characterized by departmentalism, separatism and bourgeois liberal ideology. They disregard the interest of the whole situation and even close ranks with workers who are backward ideologically to spoil state finances. But these problems can be resolved as long as we are able to step up ideological and political works so that the leading cadres and the broad masses of staff and workers of enterprises will be able to form a firm ideology of paying attention to the interest of the whole situation and to be responsible for the country. The situation in the province during the 3 years from 1979 to 1981 showed

that the greater part of the profit made by the industrial enterprises across the province was handed over to state finances. Because of a lack of experience, the ratio of the profit handed over to higher departments by some enterprises was low but measures were taken to readjust these in a timely way. Of enterprise retention, 70 percent was used in developing production and collective welfare while 30 percent was used as awards for staff and workers. Most of the funds for developing production were turned into fixed assets, the newly added collective welfare facilities for staff and workers belonged to state finance while a rational proportion between production funds and welfare funds was defined. Taken as a whole, the situation of the awards given to staff and workers was good. The award system promoted production; but there also appeared a situation of giving awards at will and egalitarianism and under this situation it was impossible to encourage surpassing labor norms. But these problems are being solved in practice. The most important things are to improve industrial production and economic effects because they represent a prerequisite for solving financial problems. With regard to the question of how to distribute in accordance with the interest of the state, enterprises and their staff and workers, the province summed up the past experiences and proposed last autumn to implement in 1982 various contract quotas as part of the industrial economic responsibility systems. Under the principle of increasing state financial revenues, all the quotas had to be assigned to grassroot enterprises before the end of December. These measures constitute a reason for the better growth and better economic effects of industry in the first quarter of this year.

The reform carried out by industrial enterprises through the introduction of economic responsibility systems involves the readjustment of decision-making power and interests. Some comrades compared this reform with the ones carried out in China and abroad, now and in the past, and they said: "It is difficult. We will wait and see whether it can be carried out." Of course, it is permissible to wait and see. But there is something that we must understand. That is, ours is a socialist country under the leadership of the great party and in this country there is no conflict of basic interest between men. There exist various contradictions but these contradictions can be resolved and they can in no way develop into a situation that is beyond our control. We must resolutely believe that the majority of our cadres and staff and workers will be able to work happily according to the principles of the party and state once the party and the state clearly explain the situation to them.

(3) Put the goal of profit in a proper position.

Since the 3d Plenary Session of the 11th CCP Central Committee, "leftist" influence in economic work has been criticized and it has been advocated to take profit as the target in checking enterprises and this advocacy has played a good role. This is because, during the 10 turbulent years, making profit was criticized as revisionism. But later facts proved that things could not be done without a profit goal. There are, however, a number of problems in having profit goal as the center or having profit as the only standard for checking enterprises. This is because ours is a

socialist country that is based on public ownership of the means of production and where the purpose of production is to constantly meet people's increasing needs in both material and cultural life. Therefore, if the implementation of economic responsibility systems departs from this basic purpose of production we will certainly take a wrong road. Some industrial enterprises carry out production according to the amount of profit and they will step up production when there is profit or suspend production when there is no profit and as a result, industrial products will depart from social needs. We cannot say that this situation has no relation with purely advocating a profit goal; at least, this situation develops the wrong tendency of "everything being seen in terms of money." In fact, the amount of profit cannot totally reflect the operating situation of an enterprise, nor can the amount of awards gained by workers and staff completely reflect the quantity and quality of above-quota labor.

Leading comrades from the CCP Central Committee and the State Council pointed out that, in future, when industrial enterprises implement economic responsibility systems, they cannot just put forth profit goals, they must also define goals for product output, quality, consumption, cost, variety, salability and utility rates of fixed assets, the amount of working capital used, labor productivity and production safety. As long as enterprises are able to persist in these goals, they will be able to correctly handle the interests of the state, the collective and the staff and workers and the distribution principle of from each according to his ability and to each according to his work. Yunnan Province did it precisely in this way last winter when it was defining the industrial economic responsibility systems for 1982. Now practice has proved that the results of this practice are good. Seen from the viewpoint of the unity of theory and practice, this practice represents a new development in reforming economic systems since the experiment on the expansion of the autonomy of industrial enterprises began.

(4) The implementation of economic responsibility systems must be combined with readjusting enterprises.

It is a strategic policy of the CCP Central Committee and the State Council for basically improving the national economy to advocate economic responsibility systems and readjust industrial enterprises in an overall way. The Central Committee demanded that this important task must be completed in 2 to 3 years in stages and by combining the experiences of typical units with popularization. In the first stage, the number of the industrial enterprises at the provincial, regional and prefectural level that are to be readjusted is 403, of which 44 are province-owned enterprises. The work of readjusting is basically divided into two steps. The first step is focused on perfecting economic responsibility systems, improving business management, planning management, quality management and financial management, strictly implementing award and punishment systems and perfecting economic accounting work so as to promote production in that year. The second step includes defining the number of workers and staff, staff training, deployment of leading groups and improving the leadership system. This method has been used by most enterprises. The two steps cannot be separated and

a few enterprises had to begin from readjusting and strengthening leading groups. Now most of the 44 province-owned enterprises have begun the second step. It is a general phenomenon that enterprises have no strict control with regard to the number of their staff, they are overstaffed and leading cadres have too many secondary jobs. Other problems include working carelessly and sloppily and loose labor discipline. This situation makes the political, cultural, professional and technical level disaccord with the requirements of modern and big enterprises. Therefore it is very important to do a good job in the second step. We must be highly responsible for the cadres and workers and staff that have been discharged from their work. We must make proper arrangement for them through such ways as opening up new production, stepping up the work of livelihood services and giving training courses so as to improve their political, cultural, professional and technical levels. A socialist economy always must carry out expanded reproduction. Although the methods of expanding reproduction may be different, in addition to improving labor productivity without having to increase the number of workers and staff, it is also necessary to set up new workshops and new industrial enterprises. The number of cadres who understand management and technical knowledge and the number of skilled workers is not sufficient to meet the needs of industrial enterprises in tapping potential, innovating and reforming. Therefore it is imperative to take this opportunity and organize the training of the discharged cadres and staff and workers so as to make important preparation for greater development.

It is absolutely correct to bring the implementation of economic responsibility systems by industrial enterprises into the whole readjustment work of the enterprises. This is because if we do not readjust the enterprises in an overall way and just merely implement economic responsibility systems, these systems can in no way fully display their role. For example, quite a number of the enterprises have not been able for a long period to solve the problem of egalitarianism in distributing awards. Of course, there are many reasons for this but an important one is that the basic work of enterprise management is backward and it does not accord with the reality of average advanced quotas. It is only when the implementation of economic responsibility systems is combined with an overall readjustment of enterprises and, by starting from improving the basic work of enterprise management, creating better conditions that the enterprises will be able to produce salable, good quality and low-priced products and reach the goal of increasing both production and profit and improving economic effects.

All the industrial enterprises that have been readjusted in an overall way must be resolute in displaying well the role of the leading groups that are composed of people more revolutionary, younger and more knowledgeable and professional. Party committee secretaries and factory directors (managers) must be able to persist in the four basic principles, persist in implementing the party principles and policies, understand management and production technology, have a good style of work and be of good behavior, must be healthy and have close contact with the masses. The number of assistant positions cannot be too great. In general, there can be one or two persons or, under particular conditions, three persons. It is necessary to gradually set up in industrial enterprises a new leading system

that is characterized by collective leadership of the party committee, factory directors in command of administrative work and democratic management by workers and staff (including regularly convened workers' congress).

(5) Persist in the principle of putting ideological and political work in the first place.

Of course it is very important for industrial enterprises to implement economic responsibility systems and improve management and technical levels and it is necessary to continue to work hard in this aspect. But there is another important factor for developing industrial production and this factor includes stepping up the building of party organizations in enterprises and regular and effective ideological and political work. At present, we are faced with the struggle against corruption by bourgeois ideology. Staggeringly, in some places, there are a few persons who are still engaged in speculation, bribery, profiteering and fraud and stealing state and collective property and this situation is seriously developing. Industrial enterprises are no exception. This kind of struggle is protracted. What merits our attention is that some comrades have failed to see the seriousness and harm of the class struggle, that exists within a certain range, in the economic sector. The broad masses of people hold that we are not resolute enough in cracking down on criminals. Therefore it is necessary to step up ideological and political work, launch the struggle correctly and achieve victory in this struggle so as to make way for the development of industrial and agricultural production.

The principle of an open-door policy and activating the economy at home that have been put forth since the 3d Plenary Session of the 11th CCP Central Committee are correct. In particular, the policy of activating the economy at home has resulted in obvious achievements in Yunnan, this border province that is yet to be exploited, and it can be said that this is the common view of the people of various minority nationalities in the province. Our present task includes continuing to persist in shifting key work to economic construction and at the same time putting the question of class struggle in a proper place using methods that are different from the ones used in the political movements in the past. The aim of all these is to build a modern and powerful socialist country with a high degree of democracy and civilization.

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INVESTIGATION ON HOW CHANGZHOU MUNICIPALITY DEVELOPED THE ECONOMY

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[Investigation report by the joint investigation team of the State Council's Structural Reform Office and the State Council's Economic Research Center]

[Text] Changzhou municipality is a medium-size city in which industry has developed rather rapidly and has produced relatively good economic effects in recent years. During the initial period of the founding of the PRC, this city had a rather weak foundation in industry. As of the end of the national economic recovery period in 1952, the gross value of its industrial output was only 217 million yuan and its fiscal revenues were only 24.92 million yuan. But since 1953, its gross industrial output value and its fiscal revenues have advanced at an annual growth rate of 10.7 percent and 11.4 percent respectively and by 1981 had reached 4.146 billion yuan and 577 million yuan respectively. Over the past 32 years, the municipality had received appropriations from the state amounting to over 900 million yuan while its remittances of taxes and profits to the state amounted to nearly 6.8 billion yuan. The latter was equivalent to 740 percent of the investment accorded by the state. At present, the city has a population of 480,000 people and has developed into an industrial city with the light and textile industries as the main industries supported by other industries such as machine-building, electronics, chemicals, pharmaceuticals and construction materials. It produces over 500 kinds of industrial products, with over 3,000 varieties. It exports abroad over 170 kinds of products. (In 1981, its gross purchases of products for export amounted to over 400 million yuan.) It has turned out a number of backbone products for export to other parts of the country and abroad. Of these, 2 have received gold medal awards from the state, 9, silver medal awards and 63 others have earned recognition from the relevant central ministries and provinces as superior-quality and famous-brand products. The average per capita income of the municipality has reached 2,385 yuan (equivalent to \$1,428). Basically speaking, there is no unemployment problem in the municipality.

Why is it that Changzhou municipality has achieved excellent results both in the speed of economic development and in economic effect?

I. Correct Orientation of the Direction of Production Under the Unified and Planned Guidance of the State

From its prolonged practice of guiding economic work, the Changzhou Municipality CCP Committee learned that in order to achieve greater, faster, better and more economical results in developing the city's economy and to continue to maintain its exuberant vitality, first and foremost they should grasp the products and make them really marketable and competitive. How did they grasp the products?

(1) First of all, they fixed the direction of development of their products in strict accordance with the demand of the unified plan of the state and started with setting up a rational product structure and taking into consideration the need to put the superior conditions of the locality into full play. Changzhou's handicraft industry has a prolonged history. Its first textile mill was established in 1906. On the eve of liberation, it had 470 small plants and small workshops and was rather strong technologically. This constituted its superior point. However, development of the light and textile industries requires not only that agriculture must supply a continuously increasing amount of raw materials but also that heavy industry, which serves both agriculture and the light and textile industries, must be correspondingly developed. Unfortunately, it was precisely on the question of developing heavy industry that they had taken a roundabout course in the course of the "Great Leap Forward." At that time, despite the lack of funds and technical know-how, they immediately set up six iron and steel plants which employed an enormous force of over 7,000 staff and workers. They incurred a huge loss therefrom. This blunder made them realize that in engaging in industry we must first of all set up a rational industrial structure based on the foundation of the products being marketable and correctly orientated. Thus, following a readjustment, only one nonferrous metals plant and one iron and steel plant remained and the focal point in the development of heavy industry was shifted to the manufacture of machines for the light and textile industries and agricultural machinery. Thereafter, in accordance with the direction of development calling for serving agriculture and service light industry, national defense and foreign trade, the electronics, chemicals, pharmaceuticals and construction materials industries were developed. By 1981, in the composition of Changzhou's entire industrial structure, light industry occupied 58.7 percent and heavy industry, 41.3 percent. In this way, an industrial structure was formed which counted on the light and textile industries as the mainstay but with the light and heavy industries supporting and promoting each other's development. This has played an important and useful role in bringing about the stability and rapid development of Changzhou municipality's economy.

(2) They devoted intense efforts to the development of famous-brand and high-quality products. In the course of their incessant practices, they have come to deeply realize that only in selecting those products which have special features and which are urgently needed both for internal consumption and for export abroad can the marketing of the products be promoted. Accordingly, they selected a number of marketable products,

studied the advanced level of these products both at home and abroad, employed scientific methods to tackle the difficulties, tried every means to improve the quality of the products and thereby succeeded in turning out famous-brand and superior-quality products. Next, these products were made the backbone products to lead other associated or allied products to achieve quality improvement and to seek a higher level of development and more sales so as to ensure that the availability of famous-brand and high-quality products would be continuously increased and expanded. Since the 3d Plenary Session of the 11th CCP Central Committee, they have selected, and done much work on, some 23 backbone products which enjoyed brisk sales both within the country and abroad. Not only did these products win the confidence of the clients and in 1981 successfully increase their output value by 18.9 percent and their profits by 16.8 percent over 1980, but also because promoting the development of one product could lead to a string of other products following suit. Many associated and allied products and enterprises have correspondingly achieved development. At the same time, great attention was paid to grasping and understanding the movements of the market and efforts were made to study, design and develop in time new products, new materials, new varieties, and new designs and colors so that the products could be continuously replaced by new and better products.

(3) They paid special attention to grasping those products which could raise the production capacity of the entire municipality. These products had the characteristic that if any one of them were developed, a string of other products would also be developed. For example, when Changzhou municipality first began to develop agriculture and machine-building, it could hardly tackle any casting or forging jobs. As a result, production development was greatly impeded. But they combined together several iron-smelting shops and gradually set up a forging plant. This plant has now become the forging center of the whole province. The same method was used to establish a steel casting workshop which later also became the steel forging center of the whole province. These two technological centers not only promoted the development of the machine-building industry of the whole municipality but also provided aid to other localities in Jiangsu Province.

(4) They earnestly developed the products for export. For a prolonged period of time they have held firmly that developing products for export is an important road leading to guiding and raising the level of the entire industry of the municipality. They demanded that each and every industrial department as well as the relevant financial and commercial, postal and telegraph and communications units should establish the idea of having two markets (domestic market and international market) and should work in unison to promote the development of foreign trade. They adopted the measure of stressing and nurturing the development of those products which were marketable in the international market and which enjoyed a good reputation and had a high foreign exchange earning power. Concurrently, they have continuously developed new products for export to suit changes in the international market. In recent years, a number of new varieties and new designs of products have been offered each year to the international market. At present, there are 140 plants in the entire municipality producing export

commodities. This is roughly 33.33 percent of the total number of plants in the municipality. They are currently turning out over 190 varieties of products destined for sale to over 90 countries and regions.

II. Developing Various Kinds of Economic Combination According to the Principle of Specialized Coordination

One noteworthy experience in the development of the economy of Changzhou municipality is that of taking the backbone products as the center, fully utilizing the material and technological foundation of the original industry and, in accordance with the inner relations of production, developing various kinds of economic combination and thus speedily shaping an overall production capacity.

As early as in the 1960's, they began to earnestly learn from Shanghai's experiences. They concentrated on developing such focal products as corduroy, khaki cloth, cotton print and hand-operated tractors and organized their production separately in one continuous line and in a fixed and coordinated manner. In 1970, more of these so-called "single dragon" coordinated production lines were formed for such products as chemical fiber, semiconductor radio receiving sets, plastics and glass fiber reinforced plastic. After the 3d Plenary Session of the 11th CCP Central Committee, on the basis of the "single dragon" system already in force, other forms of economic combination "sprang up like bamboo shoots after a spring rain." Up to now, 21 specialized corporations and control plants and 19 industrial-agricultural, industrial-commercial, and industrial-trade joint enterprises have been formed, while additionally certain trans-locality economic units have likewise developed. Some 231 industrial enterprises, comprising 55.26 percent of the total number of industrial enterprises in the community, participated in these joint ventures. Their staff and workers numbered over 80,000 people, roughly 43.42 percent of the total number of staff and workers of all the industrial enterprises of the municipality. Their gross output value amounted to 2.345 billion yuan, or 56.57 percent of the gross output value of the city. Economic combines have now become the principal form for Changzhou municipality to foster its economic development.

Along what lines have the economic combines of Changzhou municipality been developed? In general, the lines may be said to have been as follows: a firm and irrevocable determination to foster the development of socialized big production and elevation of the socioeconomic effect, daring to break through the limits of localities, departments, trades and the ownership system, planning as a whole and making all-round arrangements, centralizing leadership work, thinking ahead, resorting to administrative intervention, according reciprocal benefits, and adopting various forms.

(1) Planning as a whole, making all-round arrangements and centralizing leadership. The special features of the industrial organs in Changzhou municipality are: a multitude of small-scale enterprises, with many enterprises under the system of collective ownership and a host of municipality-operated enterprises. At present, of the 418 industrial enterprises in the

municipality, 27 are enterprises which are subordinate to a central ministry or are subordinate organs of the province, while 90.5 percent of the enterprises are directly administered by the municipality. Of the latter, those owned by the collectives make up 61 percent of the total number of industrial enterprises in the municipality. In the municipality, there are only 6 large-size enterprises and 30 medium-size enterprises. The remaining 382 are all small-scale enterprises, making 91.4 percent of the whole. These special features illustrate that in order to further develop the productive forces, it is necessary to organize together the large, medium-size and small enterprises as well as the enterprises under collective ownership according to the principle of effecting specialized coordination and economic rationality. Accordingly, what the municipality did was to take the focal products as the center, grasp a "dragon-head" leadership plant, break through the limitations of trade, department, locality and ownership system, spur on a number of small enterprise units to carry out fixed coordination work, fill the gaps and link up the parts to form a whole, organize combines of various sorts and, in this way, speedily form a new production capacity. Thus, without making any additional investment, it was possible to spur on a number of diversified and technically backward small enterprises and raise the labor productivity rate and the technical level in production of the enterprises.

(2) Thinking ahead and making administrative intervention. The procedure of carrying out the reorganization and combination of the enterprises is tantamount to the procedure of unifying thought and overcoming the various impeding forces. First of all, take the impediments to thought. Developing specialized coordination and combination necessarily comes into conflict with the narrow ideas of "small production," as exemplified in the desire to play only the leading role and disdain the minor roles, and in readjusting and allocating the division of work according to the principle of specialization, the desire to absorb into one's own organization more technology, equipment and personnel but to decline taking anything out, and, in hard times always calling for "sharing the hardship" but in better times never calling for "enjoying the fruits in common," and so on. The idea of departmentalism likewise tends to play great havoc; it causes impediments even inside a municipality, or trade, or department or between the various ownership systems. In this connection, the leadership cadres of the Changzhou committee have done much work. They offered the slogan that while there must be "free choice," advice by "intermediaries and go-betweens" should not be ignored. They thus tried to convince the industries, trades, and departments to support and promote the combines and not to impede their development. At the same time, a special office has been set up to take charge of the economic coordination work of the municipality and to plan as a whole, make all-round arrangements and harmonize the combines of the industries, trades and departments as well as combines of a trans-locality nature. In the event of disputes over big and important problems, aside from doing the necessary ideological work, administrative intervention is resorted to, if necessary.

(3) Using economic means to promote combination. In organizing the combines, great attention is paid to regulating the problem of distribution of

benefits between the enterprises. The principle of reciprocity is firmly adhered to. To use their own words, this is "equally dividing the benefits and sharing the honors together." Commencing in 1967, the system of coordinated prices was first practiced inside the "dragon" continuous production line for tractors in which, by means of consultations, certain of the enterprises earning a higher rate of profits gave up a little to enterprises with a lower rate of profits. This achieved the aim of equalization of the benefits and joint development.

At present, the system of internal coordinated prices is in vogue, and has been continuously improved, among many economic combines in Changzhou municipality. Based on the situation of there being a disparity between the profitability rate of funds and the profitability rate of costs of production of enterprises, two different profit-concession measures have been adopted. One of the measures calls for profit concession from plants making the parts, whose profitability rate is high, to plants doing the final assembling work, whose profitability rate is low. These measures, aiming at stabilizing market prices and regulating the profit distribution between the enterprises by means of internal coordinated prices, have played an important role in developing and consolidating the reorganization and combination of the enterprises.

Carrying out the system of internal coordinated prices is in effect the utilization of the price lever to regulate the profit rate of the enterprises. To a certain extent, it removes the passive effect on the enterprises due to the prices of their products being divergent from their actual value. At the same time, it can more correctly reflect the condition of production and management of the enterprises, help in making a more objective assessment of the operation results of the enterprises and promote the improvement of the management and control of the enterprises.

(4) Adopting activated and multiple forms and refraining from "cutting with one knife." Judging from the forms of the economic combines, it may be seen that it began in 1962 the organization of the "single dragon" system envisaging a fixed division of work and coordinated production. The so-called "dragon" form may generally be divided into three types: a) those formed according to the relationships between the main machine, subsidiary machines, machine parts and machine sections in the final assembling process, such as in the case of the "single dragon" for tractors; b) those formed according to the relations between the successive steps of working procedures in the production of the articles such as in the case of the "single dragon" for corduroy; and c) those formed according to the relations between the different processes in the comprehensive utilization of the raw materials such as in the case of the "single dragon" for the glass fiber reinforced plastic. The enterprises taking part in the "dragon" setup are all independent accounting units and suffer no changes in their administrative or subordinate status, or in the nature of their ownership. Commencing at the end of 1978, specialized corporations and general control plants have been formed. Up to the present, there are 9 corporations dealing in plastics and tailoring and 12 general control plants such as those manufacturing bicycles and household furniture. The participant enterprises

number in all 122 units, equivalent to 29 percent of the total number of industrial enterprises of the municipality. Of the corporations and general plants established, those which have basically assumed the status of enterprises have carried out unified management and unified payment of taxes and adopted the 2-grade accounting system exemplified by the case of the bicycles general plant. But the more prevalent mode is the banding together of close-knit combines and loosely connected combines to form so-called "dragon-plus corporations," as exemplified by the case of the tractor corporation which, in addition to embracing 10 plants and 1 research institute, established fixed coordination relations with 59 industrial plants. In addition, inside the municipality itself, various forms of economic combines have been set up, including the joint operation of enterprises under the system of ownership by the whole people and enterprises collectively owned, joint operation of collectively owned enterprises with other collectively owned enterprises, joint operation of industrial and commercial enterprises, joint operation of industrial and trading enterprises, joint operation of industrial-commercial and trading enterprises, and so on.

Turning next to the trans-locality economic combines, it is seen that the municipality, using the economic combines already formed as a basis, first extended its activities to the outskirts of the city. Over recent years, 14 industrial and agricultural jointly operated plants have been formed. Furthermore, these activities were later extended to neighboring counties and over recent years, joint operation has been arranged with 7 enterprises owned by Wujin County or operated by the communes or production brigades of that county. At the same time, by means of such practices and forms as the outflow and inflow of technology and funds and compensation trade, economic relations have been developed with different municipalities and provinces such as Shanghai, Wuxi, Suzhou, Shanxi and Zhejiang.

III. Closely Knitting Together the Reorganization and Combination of Enterprises With Technical Restructuring

Changzhou municipality's experience demonstrates that the reorganization and combination of enterprises provide advantageous conditions for technical restructuring and the renewal of equipment. Conversely, technical restructuring and renewal of equipment promote the consolidation and improvement of the economic combination bodies. Hence, the process of reorganization and combination is tantamount to the process of technical restructuring and changing the production conditions.

(1) Main reliance should be placed on technical restructuring, on renewal of equipment and filling in the gaps, and on expanding the production capacity of the existing enterprises. For many years the municipality has made full use of the material and technical foundation of the old enterprises, insisted untiringly on technical restructuring and traversed a road of "utilization--restructuring--further utilization--and further restructuring." For example, the tractor plant and the diesel engine plant are the two main machine plants of an economic combination body. In the beginning, there were only a small farm tools plant and a small machinery repairing

shop, each owning 20 to 30 old lathes. Over the past 20 years following the formulation of the combine, the tractor plant has completed over 1,200 items of technical renovation, renewed over 170 sets of various kinds of key and specialized equipment (comprising 35 percent of the entire plant's equipment), and set up 13 automatic and semiautomatic production assembly lines. The diesel engine plant, over these years, has completed over 2,500 technical renovation projects, renewed over 550 sets of key and specialized equipment (comprising 72 percent of the entire plant's equipment) and set up over 20 automatic or semiautomatic production assembly lines. At present, both the Changzhou Tractor Plant and the Changzhou Diesel Engine Plant have shown an entirely new technological appearance and have become the advanced models in technical restructuring of the entire municipality.

(2) Organizing together, strengthening coordination and tackling difficulties by technical measures. In the actual practice of developing the industries in the city, the Changzhou committee has gradually realized that bringing science and technology more fully into play in serving economic construction can form a truly powerful production force. For this reason, two "3-combines" have been specially formed. The first constitutes the "3-combine" of technicians, workers and cadres. At present, some 90 enterprises in the municipality have formed research institutes or small units for the purpose of tackling difficult problems with science and technology. Their participants number over 1,500 technicians, workers and cadres. The second is the "3-combine" of the enterprises, scientific research units and the user-units, in this way forming a straight line extending from scientific research to actual usage. Within the municipality, the dividing line between enterprises and between trades is broken and various kinds of combines of scientific research departments, planning departments and production departments have been formed. Outside the municipality, combines of a trans-locality nature have likewise been formed. In recent years, many of the economic combines in the municipality have one after another established cooperative scientific and technological relations with over 130 colleges, special institutes and scientific research units in other localities. Important achievements have been made in their joint research on, and application of, new technology. Urged on by the "3-combines" both inside and outside the municipality, scientific education has attained a new development. In addition to the removal of a chemical institute in Wuxi to the city, the municipality itself has established a television college and a professional college and has established or expanded 15 medium-size specialized schools and institutes for technicians. The size of the engineering and technical personnel in the municipality is over 6,500 people.

(3) Closely linking together the introduction of advanced technology from abroad and the technical restructuring of the old enterprises. Since the 3d Plenary Session of the 11th CCP Central Committee the municipality has selectively imported from abroad key technology and key equipment to strengthen the weak links in the development of production and to fill the gaps currently in existence in the municipality and has achieved substantial economic benefits therefrom. Over the past 3 years, 26 items have been imported, of which 22 have been put into production. In 1981, the newly

increased output value amounted to 221 million yuan and the increased taxes and profits were 44.83 million yuan. By the time the 26 items are all in operation, the new output value will amount to 300 million yuan, the taxes and profits, 78 million yuan, and foreign exchange earnings, \$40 million.

IV. Doing a Good Job of Management and Control With Raising the Economic Effect as the Central Task

Just like the technological level, the level of management and operation directly determines the economic effect and the speed of the economic development. For some considerable time in the past, the main energy in guiding the economy was devoted to grasping production only and it was relatively seldom that attention was paid to management and operation. Since the 3d Plenary Session of the 11th CCP Central Committee, the party committee has consciously grasped management and operation as an important task in the daily agenda. At present, the idea of grasping management and operation has permeated deeply into the minds of the leadership cadres at various levels and of the staff and workers at large. At the same time, in the assignment of cadres, attention is paid to assigning properly capable cadres to take charge of management, production, technology or finance. Because of this, the road of management and control has become increasingly broadened.

(1) The focal point in management and control lies in management and the soul or primary task of management is to provide the products with a competitive power in the market. For the purpose of enlivening and strengthening management, some economic control departments and some of the enterprises have augmented market investigation and forecasts in an endeavor to deepen their understanding and study of the condition of the production, supply and marketing phases of similar enterprises, their various economic and technological targets and the demands of the consumers. Investigation furnishes the basis for improving the quality of the products, for improving service work to the customers, for correctly understanding the direction of development of the products and for opening up new markets. In this way, not only can the planned character of production and the liaison between production and marketing be augmented but also the production and management of the enterprise can be enlivened. For example, in 1980, when products of similar category were under a situation of stagnancy throughout the country, the Changzhou Tractor Plant conducted a survey of the market, obtained clear knowledge of its development, set up throughout the country 96 marketing points, and thereby initially formed a relatively fixed marketing network and a system for the collection of economic intelligence. As a result, in 1980, the sales of its products not only were not reduced but were increased by 15.4 percent over 1979 while in 1981 a further increase of 13.9 percent was made over 1980. Similarly, in order to enliven management, many enterprises of the electrical machinery industry, apart from manufacturing, also engaged in installing, repairing and rendering various kinds of on-the-spot services. This received the hearty approval of their clients. Due to the attention paid to management, the 1981 production of the principal products of the electrical machinery industry of the entire municipality surpassed the 1978 production which had been the highest level in history.

(2) Concurrently with enlivening management, the enterprises have likewise improved their control work. In order to make their products marketable and to improve their competitive power, they have done much work in the direction of reorganizing the enterprises. Since the second half of last year, they have promoted and improved the economic responsibility system and further augmented their reorganization work. First, they strengthened their basic level control work and set up and strengthened new systems for original records, statistics, measurement, inspection, charts and diagrams, technology, installation and technical standards. Next, they carried out overall quality control step by step. Some focal-point enterprises established a quality guarantee structure, comprising an organizational guarantee system, a quality control system in the manufacturing process, a guarantee system on the quality of work, a system of intelligence reports on quality control both inside and outside the plant, and a guarantee system of the political and ideological education of the staff and workers. Having these five responsibility systems which in effect reach all sides and which are organically combined and are also closely linked with the economic interests of the staff and workers, offers a powerful guarantee for the steady improvement of the quality of the products of the enterprises. Furthermore, the business accounting system of the enterprises was also improved and strengthened. First-grade plants set up their own business accounting control organs, and full-time accountants were assigned to the workshops. The enterprises and the workshops carried out a 2-grade accounting system based on their internal settlement prices and are now separately responsible for their own profit or loss. For example, the Changzhou Gear Wheel Plant divided its economic and technological targets into 211 small targets which were sent downward to the workshops, units and departments. The final accounting was done and the profit or loss assessed on this basis. Moreover, business accounting and the award of bonuses were linked together and good results were achieved by the plant in this regard. In 1981, its output value increased by 8.75 percent over the preceding year, the utilization rate of funds was improved by 14.9 percent, the turnover period of funds was speeded up by 30 days, and the various economic and technological targets achieved were at the highest level in the history of the plant.

(3) With due consideration of the existing economic structure, based on the state's general guideline and policy and with a view to facilitating the enlivening of the economy, taking the whole into consideration and calculating real accounts, the party committee adopted certain flexible measures to make unified arrangements for the financial and material resources of the entire municipality so as to protect the pivotal points and to solve the outstanding contradictions met in the course of actual economic work. For example, with regard to the collection and utilization of funds, first, under a unified plan for the entire municipality, the various production funds of the enterprises were all subjected to compensatory, regulatory utilization. As early as in the 1970's, aiming at the objectives of effecting economy in investment, accelerating the speed of development and improving the economic benefits, the three categories of funds of the enterprises, namely, funds for renewal and renovation of equipment, funds for overhauling and funds for scientific and technical projects, were gradually bundled together, suitably centralized by the municipality, and

subjected to regulatory utilization with compensation. The funds were concentrated for use in procuring additional equipment or in repairing plant buildings. This way of joining together small brooks to form big rivers and literally fitting steel to the edge of a knife ensures the protection of the pivotal points, effects economy in time, improves the investment benefits and makes it possible for each and every enterprise to enjoy the benefit of using in turn the aggregate collection of funds. Second, concerning credit and loans, this measure enables those enterprises which have the capacity to repay loans to make use of the various kinds of credit funds in a flexible way and thus accomplish the objectives of completing the technical restructuring projects and making their products marketable within a relatively short period of time. Flexible methods of repaying the loans are also adopted. Thus, for projects which can show the economic benefits independently, the practice is to require the repaying of loans out of the newly added profits after the projects have gone into operation. As for projects which cannot measure their economic benefits independently, repayment of the loans is to be on the basis of the profits in excess of the plan or the excess of profits over the preceding year. In this way, the enterprises are able to repay the loans and the majority of them have enjoyed increased production and increased income. It has been found that for the municipality as a whole the effective repayment rate of loans was over 80 percent. Again, for example, in the case of the means of production, the municipality has the power to make flexible and regulatory use of those derived through the regular channels under the state's unified plan and those derived from outside localities through the exchange of products turned out by the local enterprises in excess of their plans. The municipality has the power to make unified disposal of these products according to a prescribed period of time and the prescribed varieties, specifications and volume of the commodities. This plays an important role in enlivening circulation, ensuring meeting the production needs of the enterprises according to plan, and fulfilling the state plan. For example, during a certain period in 1981, the municipality suffered from a tight coal supply but because of the municipality enforcing a system of citywide unified adjustment of the resources, normal production in the enterprises was ensured.

V. Paying Great Attention to the Training of Personnel and the Upbuilding of Efficient Teams of Staff and Workers

Since the 3d Plenary Session of the 11th CCP Central Committee, the Changzhou party committee has consistently strengthened the upbuilding of leadership personnel at various levels. They have paid great attention to procuring technical personnel who are young and healthy, who have good political backgrounds and who are devoted to their profession, and to training and promoting cadres from among the staff and workers of superior quality. They have also been anxious to maintain a relatively stable ratio among the various kinds of cadres. At present, of the leadership cadres in charge of production, management and technology in the various municipal organs and bureaus and of the responsible cadres in the offices in charge of the major business, technological and scientific affairs, the great majority of the comrades have gone through a prolonged period of practical

work. Of the basic-level leadership cadres on the industrial and communications front, three-fourths have emerged from the production frontline. They are fully conversant with the production conditions and have earned definite experiences in the organization of industrial production. In the meantime, these cadres are given periodic training on a rotation basis inside the municipality while some have been selected for more intensive training in specialized institutes. All of these measures aim at continuously improving their scientific, technological and management level. Statistics have shown that 56 percent of the 570 leadership cadres under the 5 industrial bureaus of the municipality have a fairly good knowledge of production techniques and are capable hands in management and control, and that 20.2 percent of them are specialist technical cadres who have technical qualifications. In addition, the Changzhou party committee has paid great attention to putting the party style in good shape and improving the general work behavior, in order that both will become the spiritual force in ensuring a sustained and healthy growth of the economy.

In the upbuilding of the staff and workers' corps, simultaneously with providing the staff and workers with technical training, political and ideological educational work has been continuously strengthened. Emphasis has been laid on instilling in the minds of the staff and workers five basic ideas: 1) Building up an overall viewpoint so that partial interests and interests of the whole are correctly handled; 2) setting up a viewpoint of self-reliance and regeneration and correctly handling the relations between striving for state support and relying on oneself; 3) setting up a viewpoint which is indivisible from attaining a high level of material civilization and attaining a high level of spiritual civilization and correctly handling the relations between improving economic benefits and raising the revolutionary spirit of the staff and workers; 4) setting up a viewpoint of placing the interests of the state in the first place and correctly handling the relations between the interests of the state, the collective and the individual; and 5) setting up a viewpoint of combining material encouragement with spiritual encouragement and correctly handling the relations between insisting on "pay according to work" and fostering the labor attitude of communism. Relatively great attention has also been paid to promoting new style and new behavior such as engaging in investigation and research, being realistic, upholding unity and coordination and justice and beliefs, upholding truth, rectifying errors, learning from the advanced, and daring to make new creations. At the same time, they have insisted on doing a good job of providing sparetime education for the staff and workers, inviting good lecturers to talk on technology, developing spot-training and organizing exhibitions of operations. They have also advocated that one should study whatever one is working on, make up whatever one is lacking, and extensively develop technical activities which will train workers with one specialty but with many abilities. This is aimed at continuously raising the technical level of the staff and workers and the degree of their proficiency. At present, 278 plants in the municipality have already set up sparetime schools for their staff and workers. The schools have an enrolment of 57,000 students, making up 26 percent of the total number of staff and workers. Through this, economic construction has developed and,

more importantly, the revolutionary spirit of the staff and workers has been uplifted, their knowledge and talents have been enhanced and their willpower has been steeled. In due course of time, there will come into being a contingent of staff and workers who possess good political background, are well grounded in technology, discipline abiding, civilized, devoted to work and always striving for practical results. This will have an extremely deep significance in the future development of socialist modernization and protection of the socialist society.

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SOLVING THE PROBLEM OF ENVIRONMENTAL PROTECTION AND ECONOMIC POLICY

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[Article by Zhou Fuxiang [0719 1381 4382]]

[Text]

I

The problem of the environment is closely related to economic policies. Protecting the environment and natural resources, preventing pollution and other social effects of pollution is an important principle in developing the national economy. However, this principle was not properly maintained when economic policies were worked out in the past. As a result, environmental pollution and damage to the natural resources in our country have not so far been effectively controlled.

Economic policies are reflected by the national economic plans. When plans were worked out in the past, other than subsidiary investment being given to the large or middle-scale capital construction projects and some old enterprises for preventing and controlling pollution, no targets for environmental protection have ever been set in the production plans and included in the main targets for the national economy. When decisions were made on the distribution of industry, the selection of factory building sites and other important links in the capital construction, the effect on the environment was not taken into account as an important principle. When there were breaches in the plans, recovery projects and projects for preventing pollution were always the objects being cut for the purpose of giving priority to maintaining priority projects. As for natural resources, attention was merely paid to their exploitation and utilization rather than their protection and multiplication. Exploitation and utilization was also unitary but not comprehensive. All this has given rise to an imbalance between economic development and environmental protection.

In order to solve these problems, it is necessary, first of all, to deepen economic workers' understanding of the importance of the environmental problem. They should treat the problem as an important component of the national economy, consciously coordinate the relationship between production and environmental protection and work in accordance with the objective laws governing the environment.

The environment, including water, atmosphere, soil, living beings, mineral resources and other natural conditions, forms the material resources for the subsistence of mankind and for social production as well and thus the environment is a factor of productive forces. Social production is, in the final analysis, a course of taking these resources from nature and processing them into the means of subsistence and production needed by the people. The development of production depends to a large extent on the exploitable reserves of the irreplaceable resources and the capacity of regenerative multiplication of the renewable resources. The process of production is simultaneously a process of consumption, in which a portion of natural resources is transformed into products while another portion of natural resources is converted into waste and returned to the natural environment. It is in this way that social production and consumption exchange materials and energy with the environment. Reproduction can therefore be smoothly carried out. The pollution and damage of the environment mainly refers to the phenomenon that the speed of acquiring resources from the environment by social production exceeds the speed of regeneration and multiplication of resources, thus resulting in a sharp reduction in the reserves of resources, and the forest, soil and water resources being damaged; and the phenomenon that discarded wastes exceed the capacity of the natural environment, thus polluting the atmosphere, water and soil, and causing an ecological imbalance in nature. This is a retribution inflicted by nature when economic development is carried out against ecological laws. The pollution and damage to the environment not only harm the health of the people, but also damage the material basis for social reproduction, thus bringing about huge losses in society. According to the estimation in the developed industrial countries, in the 1970's, the social losses caused by environmental pollution in these countries amounted to 3 to 5 percent of their gross national product. This did not include the influence of the damage of resources, which was far greater than the investment in preventing and controlling environmental pollution. Obviously, it is not an all-round approach to regard the environmental problem as merely a problem concerning social welfare or environmental sanitation. Instead, it is a complex problem related to the economic, technological and social fields in the national economy.

The problem of rationally utilizing environmental resources is closely bound up with social systems and the purposes of production. Engels has pointed out that there are two basic reasons why mankind's production activities cause damage to the environment: 1) The people have not deeply understood the natural laws. They cannot correctly foresee the immediate and far-reaching influences caused by the interference in nature by their production activities. 2) The existing manners of production "are all aimed at acquiring the most direct and the nearest beneficial results of labor." ("Selected Works of Marx and Engels," Vol 3, p 519) In the capitalist society, the purpose of capitalists in developing production is to achieve maximum profits. Their only concern is the nearest and the most direct results. They never take into account the relatively far-reaching influence on nature and society. Nature is treated by them as a place for dumping industrial wastes, and natural resources are wantonly abused. The larger the scale of production, the greater the pollution and

damage the environment will suffer. China is now practicing the planned economy, which, as Engels said, "enables industry to be distributed throughout the country in accordance with the principle that industry is developed in a manner fitting itself the best and other production factors can also be preserved and developed." As long as we pay attention to this problem when working out economic policies, conscientiously use the planned economy to coordinate the relationship between economic development and environmental protection, rationally exploit natural resources rather than one-sidedly intensify the exploitation, and adopt effective measures to protect environment and natural resources in capital construction and production, the phenomena that the environment in China is polluted and damaged can be gradually straightened out.

How should we coordinate the relationship between economic development and environmental protection?

First, the balance between environmental protection and production construction should be taken as an important item in the overall balance of the national economy. This includes: 1) The balance between the consumption of economic resources and the capacity for replenishing and regenerating by multiplying these resources, which ensures the interminable utilization of the resources; and 2) the balance between the discharge of waste and the capacity of the natural environment. By keeping this balance, we can prevent the deterioration of the environmental quality and guarantee the quality of people's livelihood.

Second, conforming economic development with ecological laws should be taken as an important item in the state's economic policies. For this purpose, great efforts should be devoted to develop and spread the technology which gives rise to few or no wastes in production, complies with ecological laws and recycles and reuses wastes. When decisions are made on industrial distribution and sites for industrial construction, the influence on the environment should be properly taken into account. If severe unfavorable influence will be caused to the environment, construction should be stopped immediately.

Third, industrial technical transformation should include the control of pollution. Technical transformation can help stop or reduce waste discharges in technological processes, so as to raise utilization ratios of various material and energy resources.

Fourth, targets for environmental protection should be included in state plans and made subject to inspection. Industrial and mineral enterprises should all bring environmental protection into the sphere of production management.

Of course, contradictions cannot be denied between environmental protection and economic development. They are opposites which promote and restrict each other. It is impossible to keep the environment free from any pollution in the course of developing the economy. Within the limits of a given period and scientific and technological conditions, it is also impossible to

prevent natural resources and their regenerative capacity from being reduced and damaged in the course of exploitation. The problem is how to weigh the relationships between immediate and far-reaching interests and between partial and overall interests. This calls for a summing up of experience and an analysis of costs and benefits, so as to find out the most economical and reasonable coordinated solution. At the same time, it is necessary to strengthen scientific research to reduce environmental pollution and resource damage to a minimum.

II

Last year, the State Council pointed out in the "Decision on Strengthening the Work of Environmental Protection During the Readjustment of the National Economy" that environmental protection work should be handled by linking it with various economic policies and measures in economic readjustment. This is the starting point of working out environmental policies.

The pollution and damage to the environment in China accumulated for a long time in the course of construction. It is painstaking work to solve this problem. The reasons for this environmental pollution and damage, besides the problems in understanding and economic management, can mainly be listed as follows:

First, in most industrial and mineral enterprises, the level of production and technology is backward, equipment is simple and crude, and the utilization ratio of resources is low. A great deal of valuable resources cannot be fully utilized but are treated as wastes, and are thus polluting the environment. The utilization ratio of energy resources is less than 30 percent, but smoke discharge is many times more than that in other countries. Many chemical products can only utilize one-third of their raw materials. The consumption of water and electric power by quite a few products is several times, even scores of times, higher than in other countries. Effective composition of pesticides and chemical fertilizers is small. Effective composition for pest control accounts only for 14 to 15 percent in BHC [benzene hexachloride] while ineffective composition, which is the most harmful to people and animals, accounts for a large percentage. In addition, pesticides and fertilizers being spread on farmland are mostly washed away, into the environment, thus bringing about severe pollution.

Second, city planning has been neglected and industrial distribution is not reasonable. This has aggravated the harm of pollution. Some factories causing serious pollution have been set up in densely populated residential areas, scenic spots and tourist resorts and even in the upper reaches of rivers. For example, in the ancient garden town of Suzhou city, which is also a cultural center with a history of more than 2,400 years, about 500 factories have been concentrated in an area of less than 28 square kilometers. In addition, 21 chemical factories which cause grave pollution are set up around the urban areas; 10 printing and dyeing mills are set up in the downtown area; and 3 paper mills are set up in the upper reaches of the rivers. As a result, this disarrangement, with industrial areas mixed

with residential areas and scenic spots and chimneys mixed with pagodas, it severely damaged the natural beauty of this picturesque city.

Third, urban public facilities in cities are backward. In the 224 cities throughout the country, only 50 percent of areas have a sewer system. There are only 37 urban sewage treatment plants in the whole country. Only 2 percent of urban sewage can be treated while the other 98 percent is discharged into rivers without being treated, thus resulting in a great reduction in fish and affecting the quality of drinking water. Not many large and medium-sized cities in China have heat and power plants and gas-works. Along with the continuous increase in urban population and the expansion of urban areas, the harm to the atmosphere and water pollution caused by the urban wastes as well as noise pollution will become more and more prominent.

Fourth, the environment is damaged due to the irrational exploitation of natural resources. Examples can be found from the abusive exploitation of mineral resources; the blindness in reclaiming land from beaches; the excessive extraction of groundwater; and the excessive exploitation of forest reserves. All this has not only damaged natural resources, but has also unfavorably affected the environmental quality.

To solve these problems, in addition to deepening understanding and adopting necessary management measures, a certain economic material force is also needed. To handle environmental protection in China, we should proceed from actual conditions, act according to our capacity in a planned way and carry out this task in key units and by groups. We cannot set an unrealistic target which is not part of China's realities and goes beyond the objective feasibility. At the same time, neither can we exclusively transform the part of the environment which has been polluted or exclusively arrange facilities for purifying pollution. This will result in high costs and slow effects. The work of environmental protection should be linked with enterprise reorganization and management improvement, so as to stop the large quantities of pollutant discharge due to artificial factors. It should be linked with technical transformation, so as to fundamentally control the rise of pollutants. It should also be linked with city construction and transformation, thus adjusting the irrational industrial distribution and structure, and also linked with the rational utilization of natural resources, so as to maintain the regenerating and multiplying capacity of the resources and maintain the ecological balance. The environment should be gradually improved with economic development. And through protecting and improving the environment, we can promote sustained economic development.

III

All departments, trades and enterprises are involved in environmental protection. The state should, by working out the policies concerned, require all departments, trades and enterprises to take environmental protection into account along with various activities. Besides studying the overall environmental policies, concrete policies in the aspects of economy and

technology should also be studied to prevent pollution and protect natural resources, so that the best environmental results and economic results can be achieved with the fewest funds.

Policies should be shaped for controlling pollution in industrial and mineral enterprises. Industrial and mineral enterprises are the key sectors in pollution control. The past method that efforts are merely given to transform the polluted environment should be changed. Through technical transformation, we can strengthen the environmental management in enterprises and eliminate or reduce pollutant discharges in the course of production. This can help to fundamentally resolve the pollution problem as well as improve economic results and increase social wealth. The Shanghai Gaoqiao Chemical Plant has previously caused serious pollution. It had spent more than 3 million yuan to build 4 sets of polluted-water treatment facilities before 1978, while only 8 percent of industrial waste water could be treated. Since 1978, this plant has strengthened the management and embarked on some small technical transformations which have enlarged the treated portion of waste water to 86 percent. In addition, they can recover 2,000 tons of chemical raw materials and products from waste water in a year. These recoveries create a value of 3.4 million yuan.

What policies should the department in charge of environmental protection adopt to encourage and guide the enterprises to control pollution by linking this work with production? The Chemical Industrial Bureau of Shenyang has tried a policy of "exerting control on gross quantity of pollutants" in some enterprises. After analyzing specific production technology of each product and calculating the use of materials, they laid down the requirements for the enterprises to control the gross quantities of pollutant discharge. Results of the experiment have proved that this policy can make the enterprises implement measures concerning aspects of management, and procedures in production and technology, so as to closely combine production management of enterprises with environmental protection. This experience needs to be further summed up, perfected and promoted.

Policies should be shaped for utilizing and conserving natural resources. For a long time, people always treated nature as an inexhaustible and free resource. Their wanton exploitation has caused a great waste of resources. In my opinion, environmental pollution is, in fact, a consumption of air, water and other resources. So, polluters must take the economic responsibility to recover the polluted environment. In order to conserve water, mineral and forest resources, exploiters must bear the expenses in exploring new resources and regenerating resources, and they can never utilize these resources gratis. Imposing a resource conservation tax or setting up funds for renewing resources can be considered. This could bring about the following advantages: 1) It can prevent abusive exploitation. 2) It can promote the reutilization of wastes, as prices of raw materials are raised. 3) It can induce the regeneration of resources. In recent years, some municipalities have charged for the use of groundwater; others have laid down control quotas for the use of surface water. This has effectively forced enterprises to save water and conserve water resources.

Policies should be shaped for controlling air pollution. In the past, the main efforts were given to reforming boilers and municipalities have spent a lot of money on this item, with a certain result achieved, but viewing the urban environment as a whole, the result is not obvious. In recent years, many scientists and technicians have suggested solving the air atmosphere pollution problem by changing the composition of fuel. However, according to our material conditions, coal will remain a major fuel for a fairly long time. The methods of changing fuel composition or building heat and power stations and gasworks to improve atmosphere quality will not be practical in the near future. During the current economic readjustment, our policies for controlling air pollution should be based on fully raising the effective utilization ratio of the existing energy resources. There is great potential in this field. The high-quality coal with low sulphuric and volatile composition can be preferentially supplied for civil use. Surplus heat in factories can be fully utilized. Other measures, such as linking a group of boilers for heating and rationally utilizing petroleum gas, can be adopted. If the utilization of heat energy in China can be raised from the current 30 percent to 50 percent as in Japan, that equals a savings of several hundred million tons of coal and reduces by several million tons smoke discharge. Air pollution can thus be obviously lightened. As an industrial city, Fushun has wasted a great deal of energy before. In this city, if utilization of heat energy can be raised to 50 percent, air pollution in this city caused by 1.1 million tons of coal a year will be reduced. In recent years, Fushun city has linked the elimination of air pollution with the economy of energy. They have energetically developed the utilization of surplus heat and the recovery of combustible gases: heat energy created by power stations and industrial surplus heat are used for heating. They are building a central heating system by making use of the water cycling system in power stations. They are preparing to recover the gas discharged from coal mines and the petroleum gas with high calorific value from oil refineries to supply for civil use, thus basically eliminating the pollution by smoke from kitchen chimneys. After the accomplishment of these projects, they will not only save several hundred thousand tons of coal, they will also remarkably decrease air pollution.

Policies should be shaped for controlling water pollution. Quite a few technicians have suggested lightening pollution in rivers by building sewage treatment plants. But the capital construction of these plants needs a large amount of investment. In addition, industrial waste water is mixed up with common sewage, and this makes it difficult to achieve an effective result in treatment. Therefore, during the current economic readjustment, it is not realistic to lighten pollution in rivers by relying on building a large number of sewage treatment plants. Investigation in many areas has shown that, in addition to the waste water discharged from urban industry and life, river pollution is also related to the reduction in river discharge. For example, the Huangpu River in Shanghai becomes black and foul-smelling; the Songhua River in Jilin Province becomes polluted in dry seasons; the pollution in the Suzhou Canal is aggravated; and all cases are related to the reduction in river discharge. The reasons for the reduction in water discharge of rivers are complicated. The most important reason lies in the excessive use of water by agriculture. So, we cannot simply

tackle water pollution. Instead, we must associate this work with rationalizing the utilization of water resources. This needs a unified plan, because industry, agriculture, communications and transport, the aquatic products industry and other departments are all involved in the use of water resources, and a river generally runs across different administrative regions. It is imperative for the state to coordinate a solution and organize regional planning and planning in river drainage areas. The emphasis in reducing pollution sources should be placed on the economy of water consumption. If the cycling system is in common use in industry, the utilization ratio of water in industry can be raised and the water consumption ratio can be lowered to a progressive level. At the same time, some valuable resources in waste water can also be recovered.

Economic policies form an important means for environmental management. In the first 2 years, the state has introduced the policy of granting awards to those who achieve good results in comprehensive utilization. Many provinces and municipalities have specified methods to charge the enterprises for discharging pollutants beyond the limits set by the state, and impose fines for causing pollution accidents. The results of experiments have proved that these economic policies can give a certain impetus to the enterprises to do a good job in controlling pollution. These should be earnestly summed up and promoted. Henceforth, the reform of the national economic system will give enterprises more decisionmaking power. When we exert planned management on the environment, more attention should be paid to studying the policies for environmental protection, so as to push the enterprises to step up pollution control, and to correctly handling the relationship between the enterprise interests and the state and people's interests, so as to coordinate economic development and environmental protection.

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CARRY FORWARD THE FINE TRADITION OF INTEGRATING THEORY WITH PRACTICE

Beijing RED FLAG in Chinese No 13, 1 Jul 82 pp 31-33

[Article by Li Xu [7812 2485]]

[Text] The study of economic theories for the last year or so has brought good results in enhancing the ideas and understanding of most cadres in properly comprehending and thoroughly implementing the party's guiding principles and policies on economic construction. In organizing study, many departments and units stressed integrating theory with practice, paying attention to our state's historical experience in economic construction, clearing up the influence of "leftist" ideas, and integrating the study of theory with the line, guiding principles and policies laid down by the 3d Plenary Session of the 11th CCP Central Committee. The results have been very good. This greatly enhanced the understanding of many cadres of the principle that modernization should start with our national conditions, of the guiding principles of the current economic readjustment, of the open door policy and the policy of enlivening the economy and so on. Many cadres went further to integrate individual working experience with the condition of the units to improve management and stressed the importance of economic results. They reaffirmed the orientation of the enterprises in vigorously tapping potential, reforming and renovating and practicing expanded reproduction mainly by intension. They understood the necessity of establishing and perfecting systems of agricultural and industrial production responsibility. They cleared up the dialectical relationship between working in accordance with the economic law and giving full play to subjective initiative. Heartening changes in ideology and practical work emerged in units where study had been handled well and cadres' spirits were strengthened.

A few units and cadres, however, did not study seriously. They did not pay attention to the integration of theory with practice. When they studied on their own, they did not study theory seriously, and they did not think about or sum up the experience and lessons gained from their work. When they attended seminars, they did not attach much importance to the study of problems, they did not go into detailed discussion and they digressed from the subject. They took seminars as a place where they could drag in all sorts of irrelevant matters and where they could gossip and grumble. The effect of these seminars was, of course, very little.

This again shows that the integration of theory with practice is a principle that we should follow. The key to scoring better results in the study is whether we can stick to this principle.

The integration of theory with practice is a fine style of study formed and promoted by our party after passing along a tortuous road and undergoing serious struggle. It is hard-earned and has much to do with our party's cause. The main reason why some comrades do not pay attention to the integration of theory with practice is that the negative effects of the disruption of cadres' theory study caused by Lin Biao and the "gang of four" is not yet totally eradicated. Lin Biao and the "gang of four," on the one hand, disrupted cadres' systematic study of the basic theories of Marxism and the all-round scientific system was broken up into irrelevant phrases and words. They even treated correct theories as revisionism and criticized them. Marxism was thus defamed. On the other hand, they forced others to carry out the so-called guiding principles such as "taking short-cuts," "studying first that which is more urgently needed," "getting instant results," and "starting a revolution in their innermost being." They pushed the party's principle of integrating theory with practice toward the crooked road of pragmatism. They even used it to purge others. All these had negative effects on cadres' theory study, particularly on the integration of theory with practice.

Since the third plenary session, our party has revived the scientific features of Marxism-Leninism and Mao Zedong Thought and the fine traditions of seeking truth from facts and of integrating theory with practice. This has created objective conditions for the effective study and use of theory. However, it should be noted that the disruption of cadres' theory study caused by Lin Biao and the "gang of four" still, to a greater or lesser extent, exerts a pernicious influence on some cadres' correct attitude toward theory study and its integration with practice. We should not overlook this problem. In recent years the practice of cadres' theory study has shown us that it is necessary to set up a formal education system of theory study, to provide incumbent cadres with systematic education on Marxism. The systematic theory study will be aimed at resolving the practical problems of modernization. At present, it is therefore necessary to place our emphasis on straightening out cadres' study style, and on achieving a better integration of theory with practice.

In light of the present practical situation of cadres' theory study, we should first of all continue to advocate the serious reading of books in order to integrate theory with practice. We should have a comprehensive and correct understanding of the theories of Marxism. The integration of theory with practice has two aspects, namely theory and practice. The study of the fundamental principles of Marxism is the basis for the integration of theory and practice and the resolution of practical problems. If we do not understand the fundamental principles of Marxism and if we do not have a good mastery of ideological weapons, we cannot have a correct standpoint and method to observe and analyze problems, let alone achieve the integration of theory with practice and the resolution of practical problems. At present, only a minority of our cadres are equipped with the

fundamentals of Marxist theory. The majority do not have a systematic basic knowledge of Marxism. In short, the situation is not one where our cadres have studied much but are confronted with dogmatic problems. On the contrary, they do not pay attention to theory study, they do not read a lot and they have a poor understanding of theories. The integration of theory with practice is aimed at "hitting a target with an arrow." In order to hit the "target" of practical problems we should, of course, first have a grasp of the Marxist standpoint, viewpoint and methods.

At the same time, in the course of study, we should seriously stress integrating it with our work and thoughts. A majority of our cadres are involved in the economic construction of our state and they have firsthand experience with success or frustration. They also expect to obtain, from theories, answers to the many practical problems arising in agricultural and industrial production. This is a beneficial condition for integrating theory with practice. It is not difficult to understand some basic theories and viewpoints if we study them in the light of the experience gained from the economic construction of our state, and the practical conditions of different districts and units. By applying theories to analyze practical problems, we will be inspired and will come up with solutions to the problems. Subsequently, theory can play its role of guiding practical work. Due to being busy with work, most cadres do not have a chance to soberly think about the problems of work and ideology arising from reality. Through theory study, we can proceed with systematic summary, so that our ambiguous, superficial and perceptual understanding can be changed into a clear, systematic and rational understanding. In this way, our capacity for understanding can be enhanced and work can be done more efficiently. Comrade Mao Zedong once said: "It is necessary to master Marxist theory and apply it; mastering it is for the sole purpose of applying it." Today, this sentence is still a good guide in our study of Marxist theory.

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IMPLEMENTING THE AGRICULTURAL PRODUCTION RESPONSIBILITY SYSTEM AND ADHERING TO THE ORIENTATION OF COLLECTIVIZATION

Beijing RED FLAG in Chinese No 13, 1 Jul 82 pp 32-35

[Article by Zhang Dajian [1728 1129 4675]; passages within slantlines published in boldface]

[Text] Since the 3d Plenary Session of the CCP, the situation in the countryside has been excellent. One of the important factors for this situation is that various kinds of agricultural production responsibility systems have been implemented in the countryside. Is the implementation of the responsibility systems contradictory to the adherence to agricultural collectivization? How should the production responsibility systems be perfected along the direction of socialism? These are the problems that have caused the people's concern. In my opinion, in order to answer the questions correctly, the most important point is to make clear theoretically whether or not the implementation of production responsibility systems has indeed changed the basic characteristics of the socialist collective economy.

/1. To implement the production responsibility systems and to adhere to the public ownership of the basic means of production have not changed the socialist nature of the ownership of the means of production./

The socialist public ownership is compatible with the socialization of production. Because the level of socialization of our agricultural production is rather low, the socialist transformation of the private ownership of the means of production in agriculture must adopt the form of collectivization; in the collective economy, the portion of the public ownership of the means of production prevails over a small quantity of the privately owned portion of the means of production, the latter being in a subsidiary state.

Since socialist public ownership is a form of ownership compatible with the socialization of production, all the means of production that pertain to socialization (that is, the means of production that can only be used collectively or that can be effectively used only by the collective) must practice public ownership. In agriculture, the socialized means of production consist mainly of the following:

The first item is land (including farm land, forests, grassland, and so on). In industry, land is only a condition for carrying on labor activities (the site for labor, roads). In excavation or mining industry, it is only a subject of labor. But in agriculture, it is both a subject of labor and the primary means of production. Furthermore, the land is limited in quantity, and there is no other means of production that can substitute for it. Therefore, the land is of paramount importance in agriculture. For the socialist agricultural collective economy, the public ownership of land is a must. Only in this way can the unified planning, comprehensive management and "full utilization of land" with reference to the concrete conditions and the rational utilization be implemented.

The second item is water conservation (including reservoirs, motor-pumped wells, channels and so on). Water conservation is the lifeline of agriculture. Water conservation facilities should be built and used by the collective so that the water resources can be fully opened up and exploited, and the effect of the water conservation facilities can be brought into full play.

The third item is the heavy-duty farming machinery and implements and means of transportation (including big tractors, machine-drawn farm implements, trucks for agricultural use, agricultural by-product processing machines and auxiliary maintenance appliances, and the like). Heavy-duty agricultural machinery can replace a great deal of manpower, be responsible for large-scale operation or for processing a large quantity of products. Therefore, they should be made full use of by the collective so as to obtain the best advantage and "make the best use of the available things."

The fourth item is the buildings for collective production (including management houses, warehouses, workshops and so on). These buildings are the requisites for all collective economy units.

The other means of production, such as small farm implements and tools, animals for farming, animal-drawn implements, carts, manure, seeds and the like, can be used by the collective as well as by the individual or the household, and the effect of utilizing these means does not necessarily depend on a particular kind of user, say, the collective. Therefore, if an individual can purchase a certain kind of the above means of production, he should be allowed to do so for his own use. If the item is beyond the financial means of an individual, it may be bought by the collective and subsequently assigned to be used and maintained by an individual. On condition that the basic means of production such as land are under public ownership, for those less important means of production, whether they are publicly owned, privately owned or jointly owned, the socialist nature of the collective economy will not be altered.

For the means of production which belong to the collective ownership, when implementing the responsibility systems with payment associating to output such as the household output quota system and household labor quota system, the quota contractor (including the group, the laborer or the household) should undertake the operation and management of these means of production

according to the terms of the quota contract. In other words, within the period of the quota contract, these means of production are to be utilized by the quota contractor. This will enable the contractor to achieve the integration of power, responsibility and profit when using the means of production, which will facilitate overcoming the drawbacks of blind directing, "big gang operation," and sharing from the same big rice pot. But new contradictions are bound to arise. Therefore, it must be explicitly stipulated that the use of the collective-owned means of production must be based on the acknowledgement of the rights of ownership by the collective. This kind of acknowledgement is not an empty promise, and it should comprise at least the following three aspects: 1) With regard to the collective property being used, no group or individual has the right to transfer, lease, mortgage, cast aside or destroy. On the quota contracted fields, no person is authorized to build tombs, open mines, build houses, bake bricks or cut trees without proper reason, or to alter the irrigation channels. In order to prevent the publicly owned fields from being utilized without conservation, thus causing degeneration of the soil, it should be stipulated that the contracted land will be used by the same contractor for a number of years. Special personnel must be assigned to take care of the farming animals, trucks, horses, and farm implements that belong to the collective, or else these means of production may be evaluated and left to the use and care of the individual, so that precaution can be made to avoid the weight loss or even death of the animals due to overutilization, and to avoid the shortening of utilization life of the farm implements due to carelessness or improper use. 2) The quota contractor must strictly adhere to the terms and conditions set forth in the quota contract. Arrangements must be made to ensure the fulfillment of quotas for the stipulated types and quantity of the agricultural products, and the tasks of providing products to the state and the collective must be completed on time. 3) If there are misdeeds such as transference, lease, mortgage, destruction or misuse of public property, or violation of the stipulated obligations in the quota contract, they should be regarded as an encroachment of the public ownership. In this case, the production brigade has the right to cancel the contract and to get back the publicly owned means of production; in addition, it also has the right to ask for reimbursement for the loss, or even put the case before the court.

/2. The practice of the production responsibility systems and the integration of unified management and decentralized management do not change the nature of the collective economy./

At present, our collective economy is built on relatively low productivity, depending mainly on manual labor and animal-drawn farm implements. The socialization of the process of production can only be embodied in the division and collaboration of labor within a certain extent before this situation is fundamentally changed. This has determined that the agricultural collective economy must adopt the form of the integration of unified management and decentralized management. The items that are necessary and possible to be managed by the collective should be put under collective management. The items or sectors of production which are suitable for decentralized management should be managed through quota systems by the

group, the individual or the household. In short, the adoption of unified or decentralized management should be based on proper estimates in accordance with the requirements of the production for specific agricultural species. Because the level of development is different with each agricultural collective economy unit, the number of items of unified management may vary to a certain extent, and the items of decentralized management may be assigned to the group, to the labor individual or to the household. In this respect, unification by administrative measures should not be imposed.

Some people regard the household output quota and the household labor quota as amounting to division of land and a return to individual farming, and this is a kind of misinterpretation. In those places where the household output quota and the household labor quota systems are implemented, the household undertaking these tasks is still a member of the collective economy, and it only adopts the form of individual management. Individual management is essentially different from individual economy or individual farming. The individual economy is built on the private ownership of the means of production, and the production scale is very small when conducted by the individual laborer himself. The land, animals for farming and the farming tools are owned by the laborer, and all these can be leased, transferred or mortgaged; the species and the quantity to be produced are entirely to be decided by the laborer himself; the agricultural by-products are also at the disposal of the laborer himself. Such an economy is without the support of outside sources and cannot sustain any natural or manmade calamities. Under the conditions of commodity production, the division into two extremes of richness and poverty is bound to take place. The household output quota and the household labor quota systems are a form of management and administration of the collective economy. The difference between the quota systems and the division of land plus individual farming lies in: 1) the most important means of production (land) is still owned by the collective; the individual can only use it, and has no power to lease or sell it; 2) how to use the land, what is to be produced and what quantity is to be produced are to be stipulated in the quota contract which cannot be altered at will by an individual; 3) the distribution of agricultural by-products must satisfy the interests of the state, the collective and the individual. In those places where the fixed output quota is practiced, the output within the fixed quota figure should be handed over to the brigade for unified distribution; in those places where the fixed labor quota system is practiced, the fixed quota for state purchase and for the reserve and distribution of the brigade should be fulfilled first, and then the remaining portion can be retained and handled by the individual.

In correspondence with the integration of the unified management and decentralized management, the form of labor organization of the agricultural collective economy should also practice the integration of collective labor and individual labor. Some people hold that collective economy should only practice collective labor, and, what is more, they even interpret collective labor as a scene where many people gather together to do the manual labor. This is indeed a one-sided view. Whether to practice collective labor or to practice individual labor should be based on the

characteristics of a particular kind of farm work under certain types of agricultural productivity. Under the present agricultural production conditions of our country, with the exception of the farm work in the nature of a shock task, fighting droughts, draining waterlogged fields and carrying out agricultural capital construction work, and the like, which need the collective labor and concerted efforts of many persons, the ordinary farm work is more suitable for individual labor than for the collective labor.

/3. The system of "to each according to his work" still prevails after the implementation of the production responsibility systems./

The distribution of the products of the collective economy should take care of the interests of the state, the collective and the individual. The proportion between these three aspects should be appropriate, so as to maintain a simple form of reproduction, and to ensure that production can expand gradually year after year under normal conditions, so that the standard of living of the masses can be enhanced yearly. Regarding this problem, people generally have the same cognizance. What should be studied earnestly is the following question: What principle should be the basis for the distribution of the portion gained by the individual within a collective unit?

Every unit of the agricultural collective economy is a unit that has independent accounting and is solely responsible for any economic results in the course of its management. It makes use of its own income to pay general expenditures, to ensure reproduction and to provide for all the members of the unit. With respect to the relationship between the state and the collective, and between the collective units themselves, the income is directly proportional to production results. Because the output of production depends not only on the quantity and quality of the labor involved, but also on the quantity and quality of the means of production, and also on such objective conditions as soil, climate and geographical location, therefore, under different natural and economic conditions, different income levels will result even though the same amount of labor has been employed. Thus, between different collective units, equal pay for equal work cannot be realized. In different collective economic units, the peasants with the same grade of labor capability who have labored for the same amount of work days may get widely different amounts of remuneration. This situation is quite different from that of the state-owned enterprises. As for the collective economy, the existence of this kind of differential income must be recognized. If this difference is artificially eliminated, it amounts to disregard of the difference of the means of production owned by different collective economic units, and it amounts to the cancellation of collective ownership.

Within the collective economic units, the members are equal in the proprietary rights of the public means of production. Therefore, the income gained in the course of production with the aid of the means of production should be shared among the members, the difference in income being the result of the labor efforts exerted by each member, and in this way the principle of pay according to work can be practiced. The forms for

distribution can vary: payment based on assessed work points; payment based on section quotas; or payment based on yearly quota in association with fixed output and labor workload.

At present, the leading form is payment in association with output. This form has been well received by the broad masses, because: 1) the quantity and quality of labor are evaluated in accordance with the ultimate results of the laboring process, thus preventing the disadvantage of equal pay for unequal work, and resulting in a heightened sense of responsibility; 2) it is compatible with the nature of the continuity of agricultural production, setting up an uninterrupted responsibility system year-round; 3) it enables the laborers to have self-determination rights, so that they can flexibly arrange their time for labor and adopt proper measures to increase production based on the concrete conditions of the land. By this means, the drawbacks of "mass production for all things irrespective of objective conditions" and "equal share for everybody irrespective of contribution" can be avoided.

Payment in association with output is a special form of the system of equal pay for equal work. Through the fixation of production quotas based on different soil conditions, and through the assessment of work points based on output, the two forms of differential income are incorporated into the operation of the collective units. The income gained by the quota contractors is basically in accordance with their labor performance. But the system of payment in association with output is not completely equal to distribution according to work, because the fixed quota groups, individuals or households, in order to raise the output, in addition to doing their normal work, have invested more private means of production in the publicly owned land. Therefore, the difference in output reflects not only the difference of labor quantity and quality, but also the difference of the quantity and quality of their added investment in the means of production.

The difference between the fixed quota system and the payment in association with output lies in the fact that within the fixed quota figure, aside from the portion to be handed over to the state and to be kept by the collective, the remaining portion will be at the disposal of the individual. Some people hold that this practice is against the principle of unified distribution of the collective economy. What on earth is unified distribution? If it is viewed superficially, the overall income or the income derived from the fixed quota should be handed over to the collective, and after the fulfillment of the state purchase task and of the reserve to be kept by the collective, then the individual may get back his share; that is, to hand over all the income first, and then to get back the individual share afterwards, is termed "unified distribution." But as a matter of fact, so long as the interests of the state, the collective and the individual can be taken care of, the measure that can achieve this should be termed unified distribution. As to the forms of distribution, different forms can be adopted according to the different conditions of the collective units. If the collective economic unit has a capable leadership, and the operation of diversified economy and specialized quotas is conducted collectively, it is more appropriate to turn the fixed quota portion over

to the collective for settlement, to exchange work points for the output, and then the above-quota portion can be wholly or partly kept by the individual. If leadership is not so strong, or the production is not multifaceted, the individual may get his own portion after the fulfillment of the state and the collective quotas. This straightforward way of handling problems is more tangible for the masses who can have direct access to their own fruits of labor, while the unnecessary loss during the course of handling can be avoided.

The portion kept by the collective is the realization of the means of production being owned by the collective. It is the source facilitating the development and expansion of the collective economy, and this portion must be handed over to the collective without any breach of contract.

To sum up, the various forms of production responsibility systems are the only way for the consolidation and development of the collective economy. With the development of production, the magnitude of the public property will increase, the number of items of unified operation will rise, the ability to help the difficult households to overcome their obstacles will be strengthened, the division of labor and trades between the peasant households together with the cooperation in specialized projects will gradually develop, the production responsibility systems will be perfected and the collective economy will become stronger and more prosperous day by day.

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SHOULD PRODUCTION RELATIONS BE SUITED TO THE NATURE OF PRODUCTIVE FORCES OR TO THE LEVEL OR CONDITIONS OF PRODUCTIVE FORCES?

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[Article by Li Xiaobo [7812 2556 3134] and Chen Xiushan [7115 4423 1472]]

[Text] Historical materialists think that production relations are determined by productive forces. At present, there are about three ways of mentioning this principle: 1) Production relations must be suited to the nature of productive forces; 2) production relations must be suited to the level of productive forces; 3) production relations must be suited to the conditions of productive forces. We think that these three ways of mentioning the principle are different but related. Which way is ultimately most suitable depends on what angle one is speaking from.

If we look at the nature of productive forces, we are looking at the qualitative aspect of productive forces. The nature of productive forces refers first and foremost to the nature of tools of production. Marx said: "The difference between various economic stages lies in the question of how to produce and by what means of labor, but not in what is produced. The means of labor is not just a mechanism to gauge the development of the productive force of mankind, but also an indicator of the social relations with which labor is carried out." ("Collected Works of Marx and Engels," Vol 23, p 204) From the stone tools used by primitive people to the bronze tools used in the era of slavery, from the manual grinders of the Middle Ages to the steam grinders of the modern age, from the machine systems of the modern age to the automatic systems controlled by electronic computers in contemporary mass production, this long and uninterrupted process of development of the means of labor is a process of the constant development of qualitative change of quality of the productive forces.

That production relations must be suited to the nature of productive forces was used in the writings of Stalin such as "Economic Problems of Socialism in the USSR." He used it to analyze the question of differences in different social formations being determined by differences in the nature of productive forces. We examine different social formations principally from the angle of the nature of the productive forces, therefore it is an essential and basic aspect. Productive forces of a different nature create production relations of a different nature. Marx said: "What the manual

grinder produced is a society predominated by feudal lords and what the steam grinder produced is a society predominated by industrial capitalists." ("Collected Works of Marx and Engels," Vol 4, p 144) Stalin discussed this law in order to explain that the revolutionary class may make use of this law to overthrow the existing production relations. Hence, it is even easier to use the nature of productive forces to make this law outstanding. Stalin emphasized the contribution of the nature of productive forces, but did not push aside the problem of the level of productive forces. The nature of productive forces may also mean that they have different levels, too. For instance, the nature of productive forces in the Stone Age differs from that in the Iron Age, hence, the level of productive forces is not the same.

When we look at the level of productive forces, we are examining the situation of the productive forces from a quantitative point of view. Since, regardless of nature, productive forces are always "the sum total of a certain amount of productive forces" ("Collected Works of Marx and Engels," Vol 3, p 43), therefore it is necessary to examine the different levels of productive forces and the structure, quantity and distribution of its important elements within a certain period of time within a certain society. For instance, the quantity, ratio and distribution of manual labor, mechanization and semimechanization in the whole productive activity. The level of utilization of different energy resources, power, the degree of division of labor, professionalism, specialization and socialization of production, and so forth.

That production relations are determined by productive forces is a law shared by all social formations. It is not only applicable to the metabolism of all social formations, it is also applicable to the explanation of different stages of development within a certain social formation and the interrelationship between productive forces and production relations within a certain stage of development. For instance, at the present stage, there exist simultaneously in our country different levels of productive forces: There are highly socialized modern enterprises and there is scattered production which is predominated by manual labor. When we use this law to study how production relations could be suited to productive forces, we have to consider the nature of productive forces, we also have to consider the structure, level and distribution of different strata of productive forces. Under such circumstances, it is possible to use this way of mentioning the principle.

The "condition of productive forces" way of mentioning the principle is very popular in the writings of Lenin and Marx. Marx said: "In a certain situation of development of the productive forces of people, there is a certain form of exchange and consumption." ("Collected Works of Marx and Engels," Vol 27, p 477) Lenin also used this concept in his essay "Karl Marx." He pointed out that Marxism "disclosed that all ideas and all the various tendencies, without exception, have their roots in the condition of the material forces of production." ("Collected Works of Lenin," Vol 21, p 38) We think the proposal that the production relations must definitely be suited to the productive forces examines the nature and the level of

productive forces from an integrated point of view. It includes the restrictive character of the quality of productive forces and it also includes the restrictive character of the quantity of productive forces. Marx pointed out that "people in the social production in which they live create a certain, necessary relationship which does not change according to their will, that is, a production relation suited to the stage of development of their material productive forces." ("Collected Works of Marx and Engels," Vol 13, p 8) We understand that what is said here about the fixed stage of development of productive forces includes the restrictive character of the quality of productive forces and the restrictive character of the quantity of productive forces, and that means the condition of productive forces.

As we said above, the three ways of mentioning the principle are not mutually exclusive but they are coordinated. Therefore, when they are used by people they are usually not strictly distinguished.

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THE LIFE OF THEORY

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[Article by Bao Xinjian [0545 1800 7003] of the Institute of Social Sciences of Shandong Province]

[Text] Human lives depend on motion. The theories of the social sciences depend on motion, too. That means that there is a need for continuous development.

There are two views and methods of the theory of development. One is the view and method promoted by Comrade Mao Zedong which emphasizes the unity of theory and practice. The other is that which is embraced by a very small number of people. This second view suggests that theory be separated from practice and that theory be developed on paper alone. The former view is correct but the latter is not.

The practice Marx mentioned is social practice in which the subject of practice is the masses of common people. Hence, the unity of theory and practice is the unity of theory and the social reality and the unity of theory and the common people. A theory which suits the needs of the common people has unlimited vitality.

What do people and the society require of theories of the social sciences at present? We can say that there are two principal requirements:

The first is popularity. The greatness of any correct theory depends not only on that it correctly explains the world and reveals objective laws, but also that it can be completely learned and understood by the people so the theory itself can become the guide and the weapon to change the world. The two are consistent. It is only when a theory has been grasped by people can it become an enormous material force that changes the world. If theories were secluded in an ivory tower, even the best theory would become useless. The present situation is that many cadres and a great number of common people desperately want to study theory. The 6th Plenary Session of the 11th CCP Central Committee has achieved "guiding the incorrect back to correct" over a number of theoretical problems. The cadres and the people's fervor for theory, which was undermined in the 10 years of internal disorder, has now recovered and is blooming too. They demand

to study the basic theories of Marxism and Maoism systematically but not trivially, deeply but not superficially, vividly but not without life. But our systematic theoretical education is far from adequate. Among our cadres, there is only a small fraction who have systematically grasped the basic theory of Marxism. The situation among the common people is even worse. This is a situation in which theory and practice are alien to each other.

The second is the ability to answer concrete questions. Theory is a guide to action. The fact that theory acts as a guide to reality is clearly demonstrated in that it points out the direction of progress to the cadres and the common people. It is also demonstrated in that it clearly answers the theoretical questions raised by the cadres and the people in time so as to clarify unclear conceptions and to remove ideological obstructions to progress. At present, the cadres and the people have doubts concerning the fields of politics, economics, philosophy, history and literature. Their conceptions over a number of important theoretical issues are not consistent with each other so that they more or less adversely affect cooperation in the construction of socialist modernization. But some of our theorists do not answer the questions completely or in time. Some even avoid the questions. This is another situation in which theory and practice are divorced from each other.

In conclusion, a theory must be popular. It must be grasped by the common people. Secondly, it must be united with reality. It has to answer the questions raised by the cadres and the people. This is the inescapable responsibility that a theoretical worker who works under new historical conditions must bear. These two tasks complement one another. Only when a theory clearly answers the questions raised by the cadres and the people in time can it be welcomed by people and hence can it become popular; only when a theory becomes popular can the perceptions of the cadres and the people become unified and thus can the theory penetrate deep into the hearts of the people. This is where the vitality of a theory exists. It is also the correct path along which a theory develops.

Since the 3d Plenary Session of the 11th CCP Central Committee, a great number of theoretical workers have achieved much in the study and publicizing of theory. The result is remarkable. But some theoretical workers are not interested in the above two important and honorable tasks. Some think that it gives them little benefit to popularize theories, and that there is no future in doing so; some think that the questions raised by the cadres and the people are difficult to answer. It would be extremely dangerous if the questions are not answered well. Governed by such perceptions, some comrades neglect social reality and the needs of the people. They are interested in issues which are outdated and trivial or are understood by very few people. Sometimes they confine themselves to controversies which have no value at all. In some fields, there are plenty of academic conferences and periodicals, but the quality of some of the essays is very poor, and some studies and some controversies are quite meaningless. How much good can the above-mentioned situations do in the construction of our socialist modernization and in the construction of our comrades'

and our people's ideology? Such theoretical studies cannot help a theory develop, but it could suffocate the life of theory.

We have said that at present theories have to be popularized and that theories have to conform with the reality. We do not mean that we should not study history, that we should not explore new areas of studies and that we should not investigate new problems in our theoretical work; we also do not mean that we are against those works which do not produce immediate results but which we would find worthy of study if we judged it from its long-term advantages. In fact the two are related in such a way that one promotes the other and vice versa. Important theoretical questions raised by the cadres and the people which require immediate solutions can always become guides to the new fields in theoretical matters, and the exploration of new frontiers cannot be separated from social reality and the needs of people.

People desperately need a theory, and theoretical workers must plunge into the fiery sea of society!

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REGIONAL NATIONALITY AUTONOMY IS A MARXIST POLICY

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[Article by Wei Ying [7279 5391]]

[Text] Regional nationality autonomy is a basic policy of our party and state in handling domestic nationality problems. The "Draft of the Revised Constitution of the PRC" clearly stipulates: "Regional autonomy applies to any area where a minority nationality lives in a compact community; in each such area an organ of self-government shall be established for the exercise of national autonomy. All the autonomous nationality areas are inalienable parts of the PRC." This shows that our country will continue to implement this basic policy.

As early as in 1938, in his report at the 6th Plenary Session of the 6th CCP Central Committee, Comrade Mao Zedong had already expounded our party's stand, saying that "all nationalities have equal rights with the Han nationality and, under the principle of jointly resisting the Japanese aggression, have the right to manage their own affairs and to build a unified country with the Han nationality." Later, in the "Administrative Program of the Shaanxi-Gansu-Ningxia Border Region" promulgated in 1941 and in the "Common Program of the CPPCC" promulgated in 1949, there were also special articles on regional nationality autonomy. This was stipulated more concretely and in greater detail in the first constitution of our country drawn up in 1954. For example, its general principles stipulated that "all nationalities are equal" and that "discrimination or oppression with regard to any of the nationalities, and acts which undermine the unity between them are prohibited." It also stipulated that all nationalities have the freedom to use their own spoken and written languages and that regional autonomy applies to any area where a minority nationality lives in a compact community. Besides, it had a special section for the "organs of self-government of autonomous nationality areas" and made concrete stipulations on the organization of the organs of self-government of autonomous nationality areas and various autonomous powers of these organs, such as the autonomous powers in administering the finances of their areas, in organizing their local public security forces and in drawing up statutes governing the exercise of autonomy as well as separate regulations in the light of the political, economic and cultural characteristics of the nationality or nationalities in a given area. Our practice shows that these principles

and stipulations in the 1954 constitution are all necessary and correct. They have played an active role in the political life of the national minorities.

After 1954, another two constitutions were drawn up, of which the 1975 document was drawn up in the abnormal situation during the "Great Cultural Revolution." Although it also mentioned the organs of self-government in autonomous nationality areas, there were no concrete provisions. It only stipulated in abstract terms that autonomous powers can be exercised according to provisions of the law, but did not mention concrete autonomous powers. According to this constitution, there is no difference between the functions and powers of the organs of self-government of autonomous nationality areas and those of the general local state organs. This means that the autonomous powers were in reality abolished and regional nationality autonomy existed only in name. As to the 1978 constitution, it was drawn up not long after the "gang of four" was smashed. We did not have enough time then to sum up in an all-round way our experiences and lessons in the socialist revolution and socialist construction since the founding of the PRC and did not have enough time to completely get rid of the "leftist" influence of the 10 years of internal disorder in some articles of the constitution. Therefore, although some improvements were made in this document in comparison with the 1975 document, there were still no concrete provisions concerning the powers in administering local finances and in organizing the local public security forces in the articles concerning the organs of self-government of autonomous nationality areas, and no new stipulations were made in accordance with the development of the situation. Thus, it still could not satisfy the needs of the new situation.

The draft of the revised constitution was drawn up under the conditions that the 6th Plenary Session of the 11th CCP Central Committee had adopted the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" and our party had fulfilled the tasks of setting to rights things which had been thrown into disorder in the guiding ideology and had summed up the historical experiences in an all-round way. Moreover, opinions of all sides were solicited during 1 and 1/2 years of drawing up and revising this draft. On the whole, this draft is comparatively more perfect and mature.

The characteristics of the concrete provisions of the draft of the revised constitution concerning nationalities and regional nationality autonomy are: While reinstating the principles and provisions of the 1954 constitution concerning the equality between all nationalities and regional autonomy as well as the powers in administering the local finances, in organizing local public security forces and in drawing up statutes governing the exercise of autonomy and separate regulations, which are still of practical significance at present, some new provisions have been added in the light of the development of the national situation and the experiences in nationality work. These include provisions that the principal administrative leaders of autonomous areas shall be persons of the nationality or nationalities exercising regional autonomy in those areas, and that the organs of self-government of national autonomous areas independently administer economic

industry, agriculture, science, culture, public health and physical culture in their respective areas under the guidance of the state plans. These provisions are not only a guarantee for the organs of self-government of nationality autonomous areas in exercising the powers and functions as ordinary local administrative organs but also an extension of autonomy. It works the perfection and development of the system of regional nationality autonomy in our country.

The extension of autonomy in this draft is of great significance. Our experiences in the past many years show that in order to exercise regional autonomy, the cadres, especially the principal leading cadres, must be persons of the nationality or nationalities in those areas. In the past, our party and state had paid constant attention to the training and selection of minority nationality cadres, but due to the sabotage of the Lin Biao and Jiang Qing counterrevolutionary cliques during the 10 years of internal disorder and the influence of the "leftist" ideology in our practical work, the percentage of minority nationality cadres was reduced by a big margin. Principal leading cadres at and above the county level are especially required. This is abnormal and should be resolutely changed. By stipulating that "the chairmen of autonomous regions, heads of autonomous prefectures and heads of autonomous counties shall be persons of the nationality or nationalities exercising regional autonomy in those areas," the draft of the revised constitution has provided the comrades of the national minorities with a powerful legal guarantee for taking up the principal leading posts of the local autonomous governments at various levels. Moreover, this will certainly expedite the work of the leaders at various levels in the autonomous areas in training and selecting cadres of the national minorities.

The extension of autonomous powers in administering economic construction and other work is also of great significance. The economy is the foundation. In order to radically change the face of the national minority areas, it is necessary to forcefully develop the economy. A leading comrade in the central authorities said that the key to doing a good job in nationality work lies in the development of the economy. Without it, there will be no development of culture, education or other work. It is necessary to give first priority to production and the economy. The comrades who are engaged in nationality work must first do a good job in promoting production and helping the national minorities develop the economy. Otherwise they will be like pulling the branch for the root. But the development of the economy in minority nationality areas must suit the economic conditions and characteristics in these areas. For this reason, the draft stipulates that "the organs of self-government of national autonomous areas independently administer the economic construction of their areas under the national and local state plans." According to this provision, the autonomous organs will be able to take measures to their local conditions in the economic construction, to display their strong points and overcome their shortcomings and to achieve better economic results and a faster development speed. Of course, the work in the other fields must also suit the local conditions of the nationality areas. So the draft has also made relevant stipulations in this respect.

Regional nationality autonomy is a basic policy of our party and state, which was formulated in accordance with the Marxist tenets on the question of nationality and in the light of the realities and nationality characteristics in our country. It is a guarantee of the legitimate rights and interests of various national minorities and a guarantee of the unification of our country and the unity between various nationalities.

"A nationality that oppresses other nationalities can never win liberation." ("Selected Works of Marx and Engels," Vol 2, p 586) This is a fundamental principle of Marxism in dealing with nationality problems. It means that the proletarian political party must oppose nationality oppression and must realize equality between all nationalities. The policy of regional nationality autonomy enables the people of minority nationalities in the areas inhabited by them in a compact community to exercise autonomous powers in administering the political and economic affairs as well as in administering education, science and other work in their respective areas under the leadership of the party and the government in the unified big family of our motherland. The draft of the revised constitution clearly stipulates that "all nationalities in the PRC are equal" and that "the state protects the lawful rights and interests of the various minority nationalities and upholds and develops the relationship of equality, unity and mutual assistance among all the nationalities of China." It also makes the above-mentioned stipulations to ensure that all nationalities in China, no matter whether big or small, enjoy equal rights. Acts which violate the lawful rights and interests of minority nationalities and acts of discriminating or oppressing them will inevitably dampen the enthusiasm of the masses of minority nationality people and harm the fundamental interests of the state. This should not be allowed and should be resolutely prohibited.

The draft of the revised constitution also clearly stipulates: "Discrimination or oppression with regard to any of the nationalities, and acts which undermine the unity between them are prohibited; big-nationality chauvinism and local-nationality chauvinism must be opposed." It emphasizes that "all the national autonomous areas are inalienable parts of the PRC" and that "citizens of the PRC are duty-bound to safeguard the unity of the country and the unity of all its nationalities." Just as Comrade Mao Zedong said: "The unification of our country, the unity of our people and the unity of our various nationalities—these are the basic guarantees of the sure triumph of our cause." ("Selected Works of Mao Zedong," Vol 5, p 363) Any act which injures and undermines the unity of the country and the unity of all nationalities will do great harm to the country and the people of all nationalities. Such acts can never be allowed.

Regional nationality autonomy conforms to the conditions of our country. For a long time, China's various nationalities have created in common their brilliant national culture and a unitary multinational country. Just as is pointed out in the preamble of the draft: "The PRC is a unitary multinational country created in common by its various nationalities." The people of all nationalities living on our territory of 9.6 million square kilometers have shared weal and woe in the long-term struggles and have established intimate and inseparable relations with one another. Especially

After the founding of the PRC, as the socialist transformation has been carried out and the exploiting system has been eliminated, the roots of oppression, discrimination and antagonism have been eradicated and socialist new relations between all nationalities characterized by equality, unity and mutual assistance have been established. All nationalities in our country have become an entirety in which all nationalities support and help each other. No nationality can do without the assistance of the others. The Han nationality cannot do without the assistance of the minority nationalities and neither can the latter do without the assistance of the former. This is an objective reality independent of man's will. The practice of regional nationality autonomy is not only a guarantee of the lawful rights and interests of various minority nationalities but also a guarantee of this close relationship between various nationalities, characterized by the unification and unity shaped in history for a long time.

Regional nationality autonomy is also in conformity with Marxism-Leninism. When criticizing the fallacies of a Ukrainian bishop on the question of nationality, Lenin pointed out that "no one can be protected from national oppression unless the most extensive local and regional autonomy and the principle of settling all state questions in accordance with the will of the majority of the population (that is, the principle of consistent democracy) are consistently put into practice." ("Collected Works of Lenin," Vol 19, p. 380) Later, in his "Critical Remarks on the Nationality Question" he also said clearly that "far from excluding local self-government and regional autonomy, which has special economic and social conditions, a distinct nationality composition of the population and so forth, democratic centralism necessarily demands both." ("Collected Works of Lenin," Vol 20, pp. 76-80) This is the road we have followed. As early as in 1947, the Mongol nationality people established the Nei Monggol Autonomous Region under the leadership of the party. After the founding of the PRC, Ningxiang, Ningxia, Guangxi and Xizang Autonomous Regions were successively established. Simultaneously, autonomous prefectures, counties and xiang were set up in many localities. Our practice over the past decades shows that only when regional national autonomy is exercised in our unitary country can we resist foreign aggression and subversion and bring about prosperity for the whole country and all nationalities. This is in keeping with the interests of the people of all nationalities. This policy played an important role in the past in uniting the people of all nationalities and speeding the economy and other work in the minority nationality areas. The shining diamond, it will certainly radiate gorgeous rays in the future on the road of common struggle by the people of all nationalities in building a modern and powerful socialist motherland.

IDEOLOGICAL AND POLITICAL WORK FOR WRITERS SHOULD BE STRENGTHENED

Beijing RED FLAG in Chinese No 13, 1 Jul 82 pp 42-43

[Article by Liu Shaotang [0491 4801 2768]]

[Text] In the past few years, there has been a boom in literary creation. Many new writers have emerged one after another. This unprecedented prosperity is obvious to all. What is also obvious to all is the unhealthy tendencies of some people. The vast majority of the comrades in the field of literature and art have complaints about various phenomena harmful to the socialist literary cause. They hope to change these unhealthy tendencies which worry people, and restore and carry forward the glorious traditions of revolutionary literature.

At a time when we are commemorating the 40th anniversary of the "talks" [at the Yanan forum on literature and art] Comrade Mao Zedong's 15 letters to the people in the field of literature and art and Comrade Chen Yun's "Problem on the Two Tendencies of the Party's Literature and Art Workers" were published. Full of realistic significance, Comrade Chen Yun's article makes us realize that an unhealthy tendency of elitism and arrogance also exists in the field of literature and art at present. After studying this article, I have realized more deeply that it is necessary to strengthen the party's leadership over the work of literature and art. It is necessary to strengthen ideological and political work in the field of literature and art so as to change the unhealthy tendency.

Of all the arrogant behavior, the most serious is being arrogant toward the party, thinking that one is cleverer than the party Central Committee. Of all the elitist behavior, the most serious is doing anything one pleases, thinking one's job is more special than any other profession.

In some people's eyes, the activity and boom in literary creation since the 3d Plenary Session of the 11th CCP Central Committee is not an achievement scored under the guidance of the party's ideological and political line, but the product of their own bold thinking, brave exploring and daring to break into forbidden areas. In their view, the CCP Central Committee was pushed forward by them. This ideology of being arrogant toward the party is extremely wrong.

facts have shown how absurd this notion is. It was after the third plenary session that the "leftist" mistakes in and before the "Great Cultural Revolution" were corrected, the mistake of "two whatevers" was criticized, the problem of the criterion of truth was highly evaluated and the guiding principle was formulated of emancipating the mind, getting our minds into gear, seeking truth from facts and uniting as one. As a result, the CCP Central Committee, after redressing wrong and bringing order out of chaos, has resolved step by step many problems laid down by history since the founding of the PRC, as well as new problems arising in practical life. Now, there has appeared inside and outside the party a lively situation of thinking actively, conducting research into new cases and resolving new problems. It was precisely the third plenary session that gave new political and artistic life to most writers who have an ardent passion for writing with their ready pens. Even for those comrades who claim to be bold in thinking, brave in exploring and daring to break into forbidden areas, some emerged right after the third plenary session, whereas others are able to write new works different from those written under the rule of the "gang of four" only after abandoning the guiding thought of "taking class struggle as the key link" in creation and the creative method of "giving prominence to three things." We would like to ask these comrades, in which aspect are you different from the CCP Central Committee?

Under the assault of the erroneous ideas following the emancipation of the mind, some leading comrades in the field of literature and art have ideological disorder. Regardless of the principle of party spirit and the socialist nature of literary creation, they lavish praise on and indiscriminately honor those writers who have unhealthy political sentiments and a low ideological level, and on their works. They fail to pay sufficient attention to the important instructions of the CCP Central Committee, which are of fundamental significance, perform their duties in a perfunctory manner and cover up their mistakes. All this encourages some people's ideas of being arrogant toward the party in the field of literature, and fosters unhealthy tendencies.

In order to make the literary cause proceed and develop on the road guided by the party, it is necessary to strengthen the party's leadership over the literature and art, and the leadership force in this field.

Who should be cultivated and praised? What kind of works should be fostered and awarded? This is a problem of principle. We oppose both the "leftist" method of strangling the talented people and destroying literary creation, and also the unprincipled method of only fostering, and uncritically awarding without educating, guiding and criticizing. Newspapers and magazines must be very careful in deciding who should be praised and what kind of works should be awarded. They must listen to advice from all aspects including the unit which the writer belongs to, and take it seriously. They must not, on account of partiality for someone, lavish praise on one point without considering other aspects. Although it is not necessary to rush to a conclusion on controversial works, we cannot look at the right and wrongs of a case with equal treatment for both sides. Controversies without distinctions between right and wrong are not helpful but harmful to literary creation.

A writer's labor has its own special feature. But a writer's position should not be special. A writer must be an ordinary citizen, not a special one. Communist Party member writers must be ordinary party members, not special party members. It is not permissible to interfere in others' affairs with your pen, without having your affairs interfered with by others. We must not be inflated over a little popularity so as to ignore the principle of party spirit and not be subject to discipline. It is necessary for writers to reduce their activities and meetings at the upper level. They must go deep into the basic units to share weal and woe with the workers and peasants, so as to integrate their ideology and feelings with those of the broad masses. In order to create works worthy of our era, as well as take up the task of the era to cultivate socialist new people spiritually, writers must have a sense of responsibility to themselves. They must set higher demands on themselves than on others. They must not only have the strong desire to serve the people and socialism, but also have noble integrity, noble morality and noble character. All this demands us to build up a firm communist world outlook with which to guide our creative activities.

All in all, it is necessary to strengthen ideological and political work for writers so as to create good works, build up a good style and make the socialist literary cause more prosperous.

CSG: 4004/41

THE GREAT SIGNIFICANCE OF STRENGTHENING THIRD WORLD COUNTRIES' UNITY AND COOPERATION

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[Article by Liu Yili [0491 5030 4539] and Li Shuqiao [2621 2885 2890]]

[Text]

I

At present, the hegemonist policy pursued by the two superpowers--the Soviet Union and the United States--and their heated contest on a global scale have seriously threatened the safety of a large number of Third World countries. Especially in the Middle East, South Asia, Southeast Asia and other areas, several "hot spots" have been created with endless years of war and ceaseless trouble. Such countries as Afghanistan, Kampuchea and so forth have suffered greatly as direct victims of aggression and occupation by hegemonists. Many countries closely related to them have also been affected and threatened, to varying degrees, giving rise to the question of concern: "Who's next?"

The longstanding international economic order has put a large number of Third World countries in a disadvantageous position in their economic exchanges with developed countries. The gap between the rich and the poor in the international economy is forever widening. The economy of developed capitalist countries has for years been in a state of "stagflation." This has also dealt a blow to the economy of many Third World countries and brought them serious difficulties.

To maintain world peace and their own safety, the Third World countries have made tremendous and persevering efforts, opposing aggression, expansion, war preparations and arms expansion on the part of the superpowers, demanding the withdrawal of Soviet troops from Afghanistan, urging the discontinuation of Soviet support for Vietnam in its invasion of Kampuchea and Soviet plans to dominate Southeast Asia, calling for the United States to stop supporting Israel's policy of external expansion and apartheid and calling upon the Soviet Union and the United States to first destroy their nuclear weapons and reduce their arsenal of conventional weapons. These just demands have met with the stubborn resistance of the two superpowers. The Third World countries have demanded the establishment of a fair and rational international economic order with the developed countries through

At the same time, Japan, which was contending for the Pacific Ocean with the United States and England, first occupied the Philippines, Malaya, Indonesia and Burma. Therefore, the Third World countries must strengthen the unity between themselves, unite with all peace-loving countries in the world and make joint efforts in safeguarding world peace and opposing imperialism. This is a reliable guarantee for their independence and security and will effectively stop the superpowers from expansion and waging new wars.

In order to develop their national economy more healthily and free themselves from reliance on the developed countries, many developing countries must also gradually improve their single-product and abnormal economic structure left over by history. There are many difficulties at present in this regard. The establishment of a series of new economic departments requires a large amount of investment. The import of foreign capital from developed countries is a method of solving financial difficulties. However, the most fundamental method is internal accumulation. Also, it is necessary to actively develop mutual cooperation between the developing countries. At present, the economic force in many developing countries has greatly increased. This has provided a better material basis for mutual cooperation. Since the oil-exporting countries in the Third World achieved victory in the 1970's, their financial strength has been greatly enhanced. Over the past few years, their contribution in aid in terms of national productive value or other Third World countries has greatly exceeded that of the developed countries and their loans have been given more favorable terms. The national economies in certain Third World countries other than the oil-exporting countries have also greatly developed, and their ability to accumulate domestic funds has constantly increased. They also have some surplus funds to export. Even in the most underdeveloped countries, if joint measures are taken to raise money collectively, many things can be done.

At present, the national industries of many developing countries, which have a comparatively weak foundation, are confronted with competition from powerful international monopoly capital, especially of the transnational corporations. Some small countries are also faced with the difficulties caused by international markets. If joint measures are not taken to resist the international monopoly of capital and to expand the scope of their domestic markets, the national industries in these countries will have difficulty existing and developing. It is more necessary for the Third World countries to strengthen their unity and defend their national industries as protectionism is gaining ground in the developed Western countries. The "New Delhi consultation" conference convened in February this year on ideas that talks on establishing a preferential world trade system between developing countries will begin within the year. Some regional economic cooperative organizations of the developing countries have made it a rule to reduce or remit tariffs between member states and to put into practice unified tariff rates to other countries. This is obviously favorable to the development of their national industries.

In order to speed up economic development, the Third World countries have to import advanced science and technology from other countries. But some developed countries are not willing to provide them with the most advanced science and technology. On the other hand, quite a few developing countries have also possessed science and technology, which are relatively advanced or are at the world advanced level, through their own efforts. They can import from each other new technologies which suit their needs, require less investment and are easier to master. There are good prospects for the development of cooperation in this respect.

The superpowers are the main countries which benefit from the old international economic order. They have always opposed and obstructed in a thousand and one ways the reasonable demands of the Third World countries on reforming the international economic order. The United States is striving to maintain its position as master of the world economic situation and to keep the present international economic system intact, while the Soviet Union is trying hard to rake in exorbitant profits from the economically backward and undeveloped countries in its external economic contacts. Most Third World countries have now recognized that in order to reform the old international economic order, it is necessary to strengthen their efforts collectively to promote their global negotiations with the developed countries, and that economic cooperation between the Third World countries themselves on the basis of equality and mutual benefit and the development of their economy through self-reliance are important component parts of the new international economic order.

IV

The current state of unity and cooperation between the Third World countries is far from satisfying the demands of the international life and the desires of the people in various countries. On the one hand, the disputes on border, territorial, nationality and religious issues, which have been left over by history, are still greatly obstructing the unity and cooperation of quite a few Third World countries. When the contradictions become acute, they can even result in armed conflicts or wars. Differences over some current international issues have also led some Third World countries to sharp confrontation. On the other hand, for the purpose of expansion and domination, the superpowers often make use of the contradictions between the Third World countries to sow dissension and stir up trouble. According to whether or not a country follows their foreign policy, the Soviet hegemonists have divided the Third World countries into two groups, that is, the "progressive" and the "reactionary," and have been supporting some countries and opposing others. They have also used Vietnam and Cuba as the "Trojan horses" to disrupt the unity of the Third World countries. This is a serious disruptive factor for unity within the Third World.

The contradictions among the Third World countries and those between the Third World countries and the superpowers are fundamentally different in nature. There are no conflicts of fundamental interests between the Third World countries. Most Third World countries have deeply realized from experience that the disputes between themselves left over by history can

only be solved through peaceful consultations and not by war, so that fair and reasonable solutions can be reached. It is particularly important to guard against interference, provocation and estrangement by the superpowers. When the disputes cannot be solved for the moment, it is necessary to proceed from the interests of the whole and seek a common ground while reserving differences so as to unite and oppose invasion and oppression by the superpowers.

Many developed countries have looked down on the strength of the Third World countries. Some people in Third World countries also fail to see their strength. It is correct for an article in Algeria's EL MOUDJAHID, which commented on the economic cooperation between the developing countries, to say that "if prejudices are discarded, talent is not the private property of the industrialized countries. Any civilization has its own technology." This article listed some examples of successful economic development and mutual cooperation between developing countries, requiring the Third World people to place faith in their own "ability of mutual assistance" and to "establish unity on the basis of the civilization and progress of our countries."

China is a developing socialist country. It belongs to the Third World and is a faithful and tested friend of the large number of Third World countries. It has been adhering to the socialist foreign policy and principles. Before many countries won independence, it had done its utmost to support their struggles against imperialism and for national salvation. After they won independence, it enthusiastically established and developed cooperative relations with them in the political, economical, cultural and scientific fields. It has made contributions to promoting the unity and cooperation between the Third World countries. Along with our successful development of the construction of socialist modernization, the cooperation between China and a large number of Third World countries will certainly be promoted on a more profound basis, and the future looks bright.

USSR: Moscow

I AM A COMMUNIST

Beijing RED FLAG in Chinese No 13, 1 Jul 82 p 48

[Song by Zhang Dun [1728 2415] with lyrics by Zhang Shoushan [1728 1108 1472]]

[Text] I Am a Communist (tenor solo)

I. Whenever I think of that solemn moment--standing under the party's red flag, I feel an upsurge of emotion, like a turbulent sea. My two rows of warm tears are the foams of a great sea. O, I am a communist, I fight north and south on many fronts, for the liberation of the people. I am willing to offer my ardor and enthusiasm and my whole life to achieve the ideals of communism.

II. I will never forget the solemn moment when the rosy dawn spread in front of me. The bumpy road could not stop my marching steps, the fierce wind and the heavy fog could not distinguish the fire of my confidence. O, I am a communist. I fight diligently and conscientiously for the happiness of the people and the state construction. I will fight until my last breath, forever and ever, to achieve the ideals of communism.

CSO: 4004/41

ABOUT SUITING MEASURES TO LOCAL CONDITIONS

Beijing RED FLAG in Chinese No 13, 1 Jul 82 inside back cover

[Article by Li Wanren [2621 8001 1804]]

[Text] Our country is a big country abounding in natural wealth. It is richly endowed with natural resources and densely populated. It claims abundant manpower as well. Nevertheless, the situation of development is definitely unbalanced. Differences between various regions are quite big, no matter whether natural or economic conditions are considered. Even in the same county, there exist differences, great or small, between communes as well as between brigades. In order to earnestly implement the principle of "never loosening the grip on grain production and actively carrying out diversified economy" in rural work, it is necessary to suit measures to local conditions proceeding from the actual situation of the local region.

How do we realize suiting measures to local conditions?

First, there must be a comprehensive understanding of the conception of "local conditions."

There is a great number of people who take suiting measures to local conditions as suiting measures to the land. They only concern themselves with the cultivable land at hand. They keep thinking that this piece of land lacks nitrogen and that piece lacks phosphorous; they think about how much land should be devoted to the growing of grain and how much to the growing of cotton, rape, tobacco, and so on. Of course, this is not bad. However, it is not comprehensive enough to take suiting measures to local conditions to be only suiting measures to the land. The conception of "land" does not only include natural conditions such as the varieties and reserves of natural resources in the local area, the area and the characteristics of cultivable land, fields on the hills, grassland, rivers and lakes, the advantages and disadvantages of weather conditions and so on. It also includes social conditions such as the level of development of productive forces at the time, the population and its structure, people's educational level, their level of consciousness, customs and habits and so on and so forth. Only after an overall understanding of these natural conditions and social conditions is gained can it be considered as "knowing the local conditions" and can measures be suited to them.

Second, the core of agriculture implementing the principle of suiting measures to local conditions lies in the correct handling of the relationship between the production of grain and the diversified economy.

The proportions of agriculture, forestry, animal husbandry, fishery, industry and sideline industry in the rural economy should not and cannot be the same in different regions. The same is so of the proportion of grain crops and cash crops in the plantation industry. Even in the same region, their proportions in the rural economy should not and cannot be the same at different historical stages. Generally speaking, the production of grain crops is the main conditioning factor in agricultural structure. Only with the development of grain production and with the guarantee of food can there be any possibility for the development of the diversified economy. The development of the diversified economy will, in turn, promote the development of agricultural production. They condition each other, promote each other and supplement each other. We lay stress on the active carrying out of the diversified economy, but that does not mean the amount of grain we have is too great and that the production of grain is no longer important. What we want to correct is not the idea and the practice of putting the emphasis on the production of grain but the one-sided principle of grasping grain and slighting the diversified economy. We want to correct the practice of not suiting measures to local conditions, and destroying the ecological balance and the rational structure of the interior of agriculture. Any practice that slackens grain production and reduces the area for grain production at will and on a large scale on the excuse of developing diversified economy is also one-sided and incorrect.

Third, in order to implement the principle of suiting measures to local conditions, one must thoroughly observe the overall situation to be able to dialectically combine the measures of one place with the interests of the overall situation and measures at one time with long-term interests.

The purpose of suiting measures to local conditions is to speed up the development of the productive forces. If one grows freely, thinking only of the immediate interests and the interests of one place regardless of the overall interests of the state and the collective and the long-term interests, it will be very hard to guarantee the healthy and long-term development of productive forces, not to mention "suiting measures." The key in dealing well with this problem lies in organically combining the local region's economic plan with the state's.

While making economic plans, the state should not only take the social demand into consideration but also the actual production power. The state should not only concern itself with the people's interests at present but also with the people's long-term interests. Therefore, apart from considering the concrete conditions, such as the local resources and the production power, a place, a commune or a brigade should give thought to state planning and how great the social demand is in making arrangements for their own production plans. Thus they can decide what items and products should be given priority in development and which should be produced in large quantity. They should also consider what items and products should have

their quantity controlled and how the quality should be improved and so on. Only by conscientiously obeying the needs of the overall situation can one make any plans that are feasible. If one thinks only of the immediate interests and the interest of one place and blindly engages in production, it will turn out that both the supply and demand will be unbalanced, and thus waste and overstocking will result. Advantages might turn out to be disadvantages. How can this be called suiting measures to local conditions?

CSO: 4004/41

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